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NEWS SUMMARY

GENERAL

Stricken diving bell raised

A North Sea diving bell containing two divers was brought to the surface last night after its hoist cable failed and it dropped to the seabed.

The condition of the divers was not immediately known, but earlier reports had said the men had enough air "for a few hours yet." They were understood to have wrapped themselves in blankets to keep warm.

The men were working near the Thistle production platform 130 miles north-east of Shetland when the cable failed and the bell dropped to the seabed, 500 feet down.

Rhoodie may be extradited

A French court recommended the extradition to South Africa of Dr. Eschel Rhoodie, a key figure in the Muldergate scandal which brought down President John Vorster.

Rhoodie, former information chief, fled from South Africa in November and will face fraud or theft charges if he goes back.

ITV talks

Independent television technicians and management have accepted invitations to meet the Advisory, Conciliation and Arbitration Service today. Thames, Ulster and HTV remained off the air yesterday. Back Page

Star survives

The Daily Star is to continue in business after distribution workers said they would still handle it in London. Jocelyn Stevens, managing director of Express Newspapers, had warned that the newspaper might close if agreement was not reached.

Iraqis executed

Five members of Iraq's highest executive, the Revolutionary Command Council, were among 21 Iraqis executed by firing squad in Baghdad. Page 4

Ulster fears

All leave for the Royal Ulster Constabulary has been cancelled because of fears of clashes during demonstrations and marches marking the 10th anniversary of British Army involvement in the province.

Monsarrat dies

Nicholas Monsarrat, author of the best-seller war novel The Cruel Sea, died in London aged 69. He was admitted to hospital two weeks ago after flying from his home in Malta. He is believed to have suffered from cancer.

Cathedral wins

Liverpool's Anglican Cathedral, started 75 years ago and finished last year, has won one of four design awards from the Royal Institute of British Architects. Page 6

Briefly . . .

Gunmen, believed to be Basque guerrillas, killed a policeman and wounded two others when they machine-gunned a jeep at Bilbao airport, Spain.

British freighter Rudd Bank carrying 120 Vietnamese refugees, sailed for Shanghai after being refused permission to enter Hong Kong harbour.

House of Commons meals are to cost up to 20 per cent more when Parliament resumes on October 22.

School for navvies, where they can learn to dig holes, lay kerbs and shore trenches, is planned in North Yorkshire. The first project could be building entrance roads to the school site.

BUSINESS

Gold up sharply; Equities firm

● GOLD rose sharply to close $7¼ higher at $291¾ in specula-

tive buying in London. Trading was heavy in New York.

● EQUITIES were firm in response to increased buying interest and the FT ordinary index rose 7.1 to 473.7.

● GILTS responded to the exhaustion of the long tap and longs put on up to 1. The Government Securities index rose 0.44 to 73.55.

● STERLING fell 25 points to $2.2155 after an erratic day's trading. Its trade-weighted index rose to 70.6 (70.5) and the dollar's remained at 84.6.

● HONG KONG: the Hang Seng index rose 10.81 to 614.54 in active trading.

● WALL STREET was 3.23 up at 863.14 just before the close.

● TURKEY faces severe difficulties in servicing its external debts, in spite of offers of aid from foreign governments and banks, a confidential IMF appraisal of the Turkish economy concludes. Back Page

● TUC has predicted that the Government's monetary policy will result in a financial crisis in private industry this winter. Back Page

● Sir Geoffrey Howe warned that any attempt to overthrow monetary discipline must result in "higher prices, more bankruptcies and rising unemployment." Page 6

Lull in car sales

● NEW CAR sales in Britain last month were the lowest for any July for at least 10 years, according to Society of Motor Manufacturers and Traders figures. This lull in registrations, in advance of the August change in registration suffix letter, comes after record figures in the last six months. Page 7

● BSC will raise its prices on most of its products from early next month, increasing the gap between the corporation's prices and those of Continental producers. Independent UK steel producers have already raised prices between 5 and 6 per cent. Page 7

● SASSE, the striken Lloyd's underwriting syndicate, has losses now running at £20m, a full audit has revealed. Back Page

COMPANIES

● UDT reports an 18 per cent rise in group pre-tax profit for the year to June 30 to £20.1m. Page 18 and Lex

● TOOTAL, the Manchester-based textiles group, is to sell its 180 Van Allan womenswear shops in a deal worth an estimated £16m. UDS is thought to be the purchaser. Page 19

● BRITANNIA Arrow Holdings, formerly Slater Walker Securities, has made a £5m cash bid for Siemssen Hunter. Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Treas. 11¾pc 2003-07 (£15 pd.)	£15¾	+ ¾	MFI Furniture	172	+ 12
Assd. Biscuit	77	+ 5	MEPC	191	+ 5
Assd. Dairies	282	+ 9	Sedgwick Forbes	90	+ 7
Averys	253	+ 11	Staveley Industries	260	+ 10
BAT Inds.	291	+ 8	Stylo Shoes	215	+ 7
BTR	330	+ 15	Turner and Newall	130	+ 7
Bibby (J.)	455	+ 27	UDT	44	+ 3
Blue Circle	276	+ 8	Unitech	180	+ 8
Burco Dean	75	+ 11	Whitbread A	146	+ 5
Dixon (D.)	166	+ 8	Sungei Bahru	150	+ 10
Dixons Photographic	144	+ 7	Blyvoor	294	+ 18
Dowty	322	+ 11	Elandsrand	277	+ 21
Freemans	168	+ 12	Impala Platinum	152	+ 10
GEC	381	+ 11	Mount Lyell	39	+ 5
GUS A	420	+ 6	Pacific Copper	106	+ 6
Heath (C. E.)	198	+ 8	President Brand	883	+ 49
Hunting Gibson	285	+ 25	Randfontein	£26¼	+ 1
ICI	342	+ 7	South African Land	98	+ 9
Intnl. Timber	121	+ 6	Vaal Reefs	£15¼	+ ¾
Land Securities	304	+ 9	FALL		
			Wilson Walton	17	− 3

North Sea boost to trade balance may be above forecast

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The contribution of North Sea oil and gas to the current account of the UK balance of payments is now expected by the Treasury to be £7.2bn this year—an increase of £3.3bn over 1978.

New estimates published yesterday show that North Sea output is likely to have a much larger impact on the balance of payments over the next two years than expected by the Treasury last autumn.

Last October it was officially expected that the North Sea contribution would rise by roughly £1.4bn to £5bn in 1979. However, the latest estimates are for double that level of increase, taking the total to £7.2bn. All figures are at constant 1978 prices.

The revision is mainly the result of the sharp increase in oil prices so far this year. Indeed the increase in oil production—although large—has been somewhat less rapid than previously assumed.

The sharp rise in the North Sea contribution has, however, been one of the main reasons for the strength of sterling this year. In turn, it has caused concern about the declining competitive position of the rest of industry.

North Sea output has also partly offset a big deterioration in the non-oil trade balance, though there has still been a large current account deficit.

The Treasury believes that the current account contribution could decline slightly next year because of a possible fall in the oil price in real (inflation adjusted) terms. The net impact in the early 1980s may increase less rapidly than in the last two years and than had been previously assumed.

The Treasury gives a warning that the estimates cannot show what the balance of payments would have been in the absence of North Sea oil and gas development.

The current account would not have been £7.2bn in deficit and the economy would have developed differently. "The exchange rate, for instance, would probably have been considerably lower," the Treasury said.

The estimates are slighly artificial in the sense that some of the big rise in the contribution this year is explained by the fact that gas is valued not at its actual selling price but at the much higher, and rapidly rising, price which alternative imported fuels would cost in the absence of North Sea gas.

North Sea oil and gas's contribution to current account of balance of payments: £bn at 1978 prices

	Latest projection	October 1978 projections*
1977	2.9	3.2
1978	3.9	3.6
1979	7.2	5.0
1980	6.8	6.4
1985	8.9	9.6

* October 1978 projections updated to 1978 prices.
Source: Treasury Economic Progress Report

North Sea oil and gas is now beginning to have a large impact on Government revenues from royalties, petroleum revenue tax and corporation tax.

These are expected to rise from £521m in 1978-79 to £1.39bn in the current financial

About £110m of the rise will result from the Budget tax changes. Government revenues should rise sharply in the mid-1980s, to about £4¾bn at 1978 prices.

The contribution of the North Sea to total output—equivalent to its net value added—is projected to rise to a little over 2 per cent of Gross National Product this year.

Details Page 7 ● Editorial comment Page 16 ● Lex Back Page

UK share of Statfjord Field 'may be 40% more'

BY RAY DAFTER IN LONDON AND FAY GJESTER IN OSLO

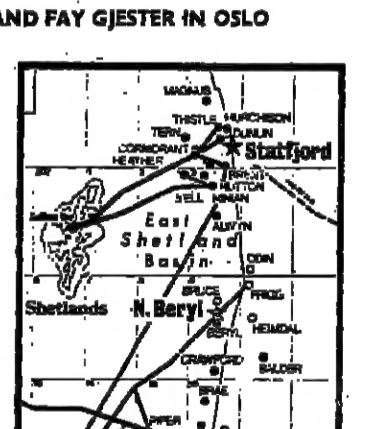
BRITAIN'S North Sea oil production is to receive a double boost.

● A review of the Anglo-Norwegian Statfjord Field is believed to show that Britain's share of the vast oil and gas reserves could be 40 per cent higher than originally estimated.

● Mobil, the operator of Statfjord, will soon submit to the UK Government a £500m development plan for the North Beryl oil field.

Both will have an important bearing on Britain's proven reserves and daily production capability.

The recent reassessment of Statfjord's formation, including its size and exact location, indicates that Britain could have rights to 140m barrels more than originally thought. This increase is the equivalent of total recoverable reserves in some of the smaller commercial fields in the North Sea.



At present the UK partners in Statfjord—Conoco, Gulf and British National Oil Corporation—are deemed to have an 11.12 per cent share of the field's recoverable reserves, which are estimated at about 3bn barrels. (One barrel contains 35 imperial gallons of oil.) The new reserves study indicates that Britain's share could be as much as 15.9 per cent, or 477m barrels.

What is more, the study is believed to indicate that the total amount of recoverable oil and gas reserves in Statfjord may be slightly more than first thought.

The study's findings have still to be considered, and possibly amended, by partners on each side of the UK-Norwegian boundary line. Companies in the Norwegian consortium are Mobil, Amerada Hess, Amoco, Conoco, Exxon, Saga, Shell, Statoil and Texas Eastern.

Continued on Back Page

Flaws found in aluminium for jets

BY DAVID BUCHAN IN WASHINGTON AND CHARLES BATCHELOR IN AMSTERDAM

U.S. GOVERNMENT agencies are carrying out urgent checks for suspected weaknesses in aluminium shipped by Reynolds Metals between January 1978 and June this year to U.S. and European aerospace manufacturers.

Fokker, the Dutch aircraft manufacturer, discovered in June that aluminium panels designed for use in the F-16 fighter did not meet specifications, it said yesterday. Quality controls at Fokker's Schiphol plant, where F-16s are assembled for the Dutch and Norwegian air forces, revealed the flaws.

Reynolds, based in Richmond, Virginia, alerted its customers on July 3. It said yesterday that more than 20,000 aluminium parts had been inspected and "99.95 per cent had passed inspection."

The Federal Aviation Administration in Washington said there was no reason yet to ground aircraft in the U.S. because they contained deficient aluminium. From checks that the FAA had ordered on July 16, it appeared elements of the defective shipments had been used by Boeing in making 747 Jumbo jets, perhaps by McDonnell-Douglas in their trouble-plagued DC-10 jets, and probably by other U.S. manufacturers. According to Reynolds yesterday, none of its aluminium had been sold to any British aircraft company.

There was so far no cause to believe, the FAA said, that the aluminium had been used in aircraft parts "where safety would be compromised."

Fokker discovered the flaws when the aluminium discoloured during routine testing. Around 40 of a several hundred panels batch were found to be faulty. These were replaced by Reynolds and none of the affected panels, which make up the fuselage frame, was actually used in the assembly of F-16s.

The FAA is not the only U.S. Government agency worried. The Defence Department, which has some Reynolds product built planes, and the National Aeronautics and Space Administration, whose space shuttle was built by Martin-Marietta Corporation with some Reynolds aluminium, are also concerned.

All three agencies have sent teams to the Illinois Reynolds plant which manufactured the defective aluminium. Reynolds said yesterday that all shipments since June 22 from the Illinois plant had been subjected to vigorous tests, and the

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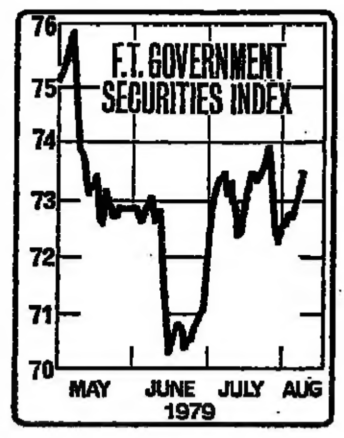

£1.5bn long-tap exhausted

BY PETER RIDDELL

THE GOVERNMENT has tied up most of the long-term finance to cover its large borrowing needs up to the middle of next month after the exhaustion yesterday of the £1.5bn long-dated gilt-edged tap stock.

Slightly more than half the stock—11¾ per cent Treasury 2003-07—had been sold when offered by tender on July 25. Dealers believe that about £600m nominal of the stock was sold yesterday in a few large deals.

The sale involved the subscription of around £100m in cash, because the stock is still only in a £15 partly paid form. The balance is due at the end of this month and in early September.

After a large call on an existing issue yesterday, about £800m of stock has been sold in the current banking month, which ends next Wednesday. About £1.22bn is due in the month to mid-September.

The tap was sold out at £15¼ and closed £¾ up at £15¾. Other long-dated stocks showed similar rises. The FT Government Securities index closed at nearly its highest level for a fortnight.

The gilt market has been extremely firm during the last week, in spite of the weakness of sterling. It received a further fillip on Tuesday from the banking figures. Some City analysts believe the demand for credit is starting to ease, but it might be some time before confidence in money supply allows a cut in interest rates.

Trading in sterling was still volatile yesterday. The pound finished in London 25 points down at $2.2155. Later in New York it was quoted at $2.2320.

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£ in New York

—	Aug. 7	Previous
Spot	$2.2235-2250	$2.2440-2455
1 month	0.72-0.68 dis	0.71-0.67 dis
3 months	1.74-1.70 dis	1.86-1.80 dis
12 months	5.64-5.54 dis	5.35-5.27 dis

Train fares set to go up by 20%

BY LYNTON McLAIN

A SUBSTANTIAL fares rise is certain in January, Sir Peter Parker, chairman of British Rail, said yesterday after announcing a loss of almost £10m for the first half of this year. It ends three years of profit.

British Rail will attempt to absorb extra costs until the end of the year. But a rise of more than 20 per cent is expected.

Sir Peter blamed the distortion of the railways' plans on "the worst operational winter for a generation; national disruption from industrial disputes; and the escalating cost of fuel."

The loss compares with the net surplus of £6.5m last year after interest and other charges, and the results mark the end of a sustained recovery in British Rail's financial fortunes since the £28m loss of 1975.

There was a £14m operating surplus before interest and expenses in 1976. That jumped to £68m two years ago and fell to £58.3m last year.

However, the latest decline is hardly unexpected. Sir Peter gave a warning in April that "our success is short-term. It is being bought at a calculated cost in terms of our future."

In 1977, Sir Peter said that the railways were "one year nearer to formidable problems and strategic decisions." Those had to be resolved if the size of the rail network was to be retained.

British Rail's investment programme was 30 per cent behind requirements before the latest losses. A serious gap is likely to continue between the need for re-equipment and British Rail's ability to pay for it.

British Rail faces a £132.5m fuel bill this year compared with its estimate in January of £85m. That and higher rates of inflation mean fare increases. Fares rose 9 per cent at the beginning of this year.

British Rail said that its freight services had suffered particularly badly this year. Volume of traffic carried in the first six months fell by 4½ per cent, a loss of 3.5m tonnes of freight compared with the period last year.

The board blamed the continuing fall in industrial activity, but it is also seriously short of freight locomotives.

Yesterday the freight network was short of 116 locomotives out of the total of 1 642 that should have been available.

British Rail blamed industrial difficulties at its British Rail engineering workshops and at maintenance depots. Those had affected repairs and construction.


Sir Peter Parker

BRITISH RAIL RESULTS

	First 24 weeks of 1979 £m	First 24 weeks 1978 £m	Full of year 1978 £m
Operating profit (loss)			
Railways	20.3	30.9	37.8
Subsidiaries	(4.5)	(0.4)	18.9
	15.8	30.5	56.7
Interest and other charges	25.5	23.2	50.2
Surplus (deficit)	(9.7)	(7.3)	6.5

The board is statutorily bound to buy its engines from its own workshops.

Fitters are being recruited to ease the locomotive shortage, and freight trains have been given priority over "speculative passenger trains such as excursions."

British Rail added that the introduction of the high-speed and advanced passenger trains would release more passenger locomotives for freight. But some obsolete locomotives are to be kept "for the time being."

High speed train wins first export order Page 6

Australia dock strike ends

Dock workers throughout Australia have voted to return to work pending further talks on a demarcation dispute in Western Australia, according to a spokesman for the Waterside Workers' Federation, Reuter reports from Sydney. Over 100 ships were made idle by the strike.

Bonn takes measure of Carter's new team

Chancellor Helmut Schmidt (left) and Foreign Minister Hans Dietrich Genscher . . . looking for firmer leadership from Washington.

BY OUR BONN STAFF

THE WEST GERMAN Foreign Miinster, Herr Hans Dietrich Genscher, today begins in Washington the first high-level meeting between the two *Governments since* President Carter reshuffled his Administration.

He will discuss in detail military security and the Middle *East situation*, where both Bonn and Washington face Israeli accusations of a growing inclination towards the Arab cause.

Further, he will seek to judge whether, with the new U.S. team *in office. Bonn can expect a* clearer policy line and more decisive leadership from Washington than it feels it has enjoyed in the past.

Besides meeting President Carter, Mr. Cyrus Vance, the Secretary of State, Mr. Zbigniew Brzezinski, security affairs adviser, and Mr. Harold Brown, the Defence Secretary, Herr *Genscher will also have* talks with Dr. Henry Kissinger, the former Secretary of State.

One topic likely to be raised with all these is the prospects for ratification by Congress of the SALT II *accord, upon* which, Bonn believes, depends progress on so many other key issues of East-West relations.

These include the vital *problem (for the Europeans) of* Soviet intermediate range nuclear missile development, the force reduction talks in Vienna and the follow-up *conference on* security and cooperation in Europe, supposed to be held in Madrid next year.

Bonn has now become rather more confident that SALT will be ratified. Part of this *confidence evidently stems from* talks held last month in California by Chancellor Helmut Schmidt and a series of non-Administration figures—including Dr. Kissinger and General Alexander Haig, the former NATO supreme commander.

While both Dr. Kissinger and General Haig have since voiced their reservations about SALT *II, it is felt here that they did not do* in such terms as to have raised the spectre of non-ratification and attempted re-negotiation.

Herr Genscher will be reporting to Mr. Vance on the *results of his recent extensive* tour of Arab countries—a tour he is shortly to continue with trips to Syria, Lebanon, Jordan and Egypt. These visits have coincided with contacts between *members of* the West German ruling parties with the Palestinian leader, Yassir Arafat.

The overall impact has been one of increased friction between West Germany and Israel,

Closer scrutiny of Euromarkets sought

BY JONATHAN CARR IN BONN

THE WEST GERMANS have long been among the leaders in the drive for closer official scrutiny of the operation of the *Euromarkets.*

At first sight this may seem odd, coming from those who usually express faith in free enterprise and trade and in the efficiency of market forces. *However, the latest Bundesbank* report indicates some of the reasons for German concern, in particular the way in which Euromarket operations can complicate control over domestic money supply and inflation. *This is a worry which the Germans share with the Americans* in particular. Although U.S. authorities have supervisory powers over some aspects of Euromarket operations which *their German colleagues* do not possess, so far.

The Bundesbank has drawn together figures showing the movements of capital between West Germany and other members of the European Economic *Community (and so including* the key Euromarket centres of Belgium - Luxembourg and Britain) between the start of 1973 and the end of last year. This has been a period of sharp growth in the Euromarket as a *whole (from an estimated* $110bn to $480bn on a net basis) and, naturally, in the Euromarket activities of German banks and their subsidiaries abroad.

The figures show a reversal *in the overall trend of capital* movements between the periods 1973-75 and 1976-78. Whereas in the first three years West Germany was a net capital exporter to its Community partners to the tune of DM 11.6bn, *in the next three years it was a* net importer of no less than DM 21.7bn.

The main component of this swing was the capital transactions of the banks, which exported a net *DM 19bn in short-and long-term funds* in 1973-75, but drew in almost DM 14bn net in 1976-78. Of this latter inflow, almost DM 12bn was of short-term funds, and 90 per cent of that come *from Euromarket centres.*

On the face of it the capital transactions other than those of banks (for example direct investment and borrowing in other Community countries by *German enterprises)* do not *show a similar* swing. They simply rise from a net import of DM 7.3bn in 1973-75 to one of DM 7.9bn in 1976-78. However, a breakdown of those figures shows that the amount *of short-term financial credit* taken up in the second three-year period (DM 9.2bn) was nearly three times greater than that in the first period. Again *almost all* of this came from *the Euromarket.*

The *conclusion is* that German companies in particular saw they could obtain finance abroad on more reasonable terms than generally they could at home, and took advantage of the fact.

This *would appear to be* all right for the companies and the banks, but not necessarily so either for the Bundesbank or for the Bonn Government. It is clear that such large capital inflows have *sometimes seriously* upset the efforts of German authorities to control the increase in domestic money supply. This is not only a financial but also an important political factor in a country *which has lasting memories* of hyper-inflation and which remains more sensitive than others to the increase in prices.

It has sometimes been argued that in the longer term the *capital inflows will be counter-*balanced by outflows. But the Bundesbank's experience has been that once domestic money *stock has been* increased by an intake of funds from abroad, no fully corrective decrease does occur later.

One answer might seem to lie in the imposition of capital controls. *But unless a system of total control* were brought in, which almost no one in Germany wants, lesser measures can often be circumvented. When the Bundesbank sharply raised the minimum reserves on the *banks' external liabilities in* late 1977-early 1978 to shut out direct inflows by this route, the funds simply entered the country by other means.

If this money supply *problem were the inevitable result of the operation of a market in* which German authorities had complete confidence, then it would no doubt be borne more easily. But this is not the case.

The Bundesbank makes clear in its West German Community *survey that most of the capital* inflows come through the subsidiaries of German banks in Luxembourg, rather than from business generated by the branches of German banks in London. For example, while these subsidiaries increased their credit claims on German firms and private customers by about *DM 7bn to DM 14bn in 1977-78*, the *London* branches appear hardly to have boosted their credit business with domestic German firms over the same period.

The key difference between *the two sets of operations* is that the Luxembourg *subsidiaries* are legally independent and beyond the formal scrutiny of West German banking supervisory authorities, while the *London branches are not. Of* course it is not surprising that business should tend to congregate where supervisory regulations allow more commercial latitude and where there are cost advantages. *Thus the* increase in *the balance sheet* totals of the Luxembourg subsidiaries from about DM 13bn at the end of 1972 to some DM 85bn at the end of last year is hardly to be wondered at.

However. the uneasiness of the German authorities is understandable. The Germans believe that the sharp growth of the Euromarkets is not simply to be explained by basic *factors such as the U.S. current account deficit and the need to* recycle surpluses of the Organisation of Petroleum Exporting Countries. Also important, it is felt, is the *tough international competition on these markets*, permiting only small margins and thus tempting banks to boost earnings through a constant increase in credit volume.

The fear is that a bank could be tempted *into serious risks* which it could never entertain under domestic supervision. The failure of a subsidiary could reflect on its parent and, in the worst circumstances, bring a *reaction of vanishing confidence.*

It is fair to note that *this* danger is recognised by responsible German banks and appropriate steps taken to guard against it. Nonetheless, the German financial authorities *will clearly not rest until they* gain a clearer insight into the operation of the Euromarket in general and the activities in Luxembourg in particular.

A so-called "gentleman's *agreement*" between supervisory authorities *and German* banks involved in Luxembourg is one step in that direction. But it also seems highly likely that the Government will seek to introduce legislation under *which the balance-sheets of* foreign subsidiaries of German banks will have to be consolidated with those of the parents.

Until then, the authorities seem bound to watch the growth of Euromarket operations and *their impact* on domestic *German monetary policy* with some suspicion and concern.

Fifteen West German banks had 58 branches abroad with a business volume of DM 62.5bn (£14.7bn) at the start of this year, *according* to Bundesbank figures, writes Jonathan Carr. While the number of branches has risen by 16 per cent in the past two years, the volume of business has almost doubled.

At the same time, West German banks controlled 38 foreign banks lending a total of *DM 28.8bn (£6.79bn) to debtors in West Germany. Of these foreign subsidiaries,* 22 were in Luxembourg accounting for DM 28.1bn of the lending. Roughly half this sum went to entreprises and individuals in West Germany.

Tourist numbers tumble in Spain

By Report Graham in Madrid

THE NUMBER of tourists visiting Spain *during* the peak summer season has dropped sharply. Preliminary figures for July show 1.15m fewer tourists than in *July* last year.

This is a decline of 17 per cent, and confirms the tourism industry's fear that summer business had fallen from the previous year.

Nevertheless, off-peak tourism has done well, and the overall number of tourists in the first seven months of the year is up by 3.8 per cent, to 21.39m.

The latest estimates of net tourist receipts are up from $4.9bn to $6.3bn.

Most of the drop appears to have been along the Costa Brava. Hotel occupancy there is usually around 95 per cent, but there are reports that this has fallen as low as 70 per cent. The drop also reflects the fact that fewer Spaniards are *taking holidays* this year.

The fall coincides with the July bombing campaign against Mediterranean resorts by the Basque separatists, but this is thought unlikely to have been the principal cause.

Most commentators give this year's sharp increase in hotel prices as the prime reason.

Last autumn, the Tourism Ministry removed price *controls for hotels. As a result,* prices have risen between 25 per cent and 40 per cent for the peak season.

Several tour operators dealing with Spain warned last autumn that higher prices could be justified *only if* the service improved.

However, little has been done, and some business has gone to Tunisia and Yugoslavia.

One West German tour operator providing substanial business *to the Canaries threatened* to send no clients unless a 30 per cent price increase was reduced, which it eventually was.

Tourists have also been put off Spain by industrial disputes *in the hotels.*

The Costa del Sol was seriously hit by strikes at Easter. A series of disasters in Spain has also exposed poor control of safety. The latest being *this week's forest fire at Lloret del Mar in which* 22 people died.

Reuter adds: Gunmen believed to be Basque guerrillas killed a policeman and wounded two others in a machine-gun attack on a Civil Guard jeep at *Bilbao Airport yesterday.*

In Madrid, the Government yesterday ordered strict security checks in public places.

Two guards will be posted at each Madrid Metro entrance *to check parcels. Left luggage or freight will be checked* electronically or manually.

Hotels will have to check their guests' luggage, and security measures have also been ordered for department stores, *museums, cinemas,* public markets and restaurants.

Consumer prices in OECD rise at 11.8% yearly rate

BY DAVID WHITE IN PARIS

CONSUMER PRICES in the main Western countries rose at an annual rate of 11.8 per cent *during the first half of this year*, according to the Organisation for Economic Co-operation and Development (OECD).

This compares with an average inflation rate of *7.9* per cent *last year.*

Leaving out food prices, which have risen more slowly in the past few months, the organisation's figures show a sharp acceleration in the annual rate *from 9 per cent to more than* 13.5 per cent *between* the first and second quarters of this year.

The OECD says this increase, caused mainly by higher oil prices, may be more representative of current trends.

The *index for the* OECD's 24 members went up by 0.9 per cent in June, after a 1 per cent increase in May and 1.1 per cent in April. Compared with June last year the overall rise was 9.4 per cent. The figures are *not seasonally adjusted.*

The worst sufferer was Turkey with an inflation rate of 52.3 per cent over 12 months, followed by Iceland with 39.1 per cent. The lowest increase since mid-1978 *was* in Austria—3.2 per cent.

Switzerland—the best performer in 1978 with inflation of only 1.1 per cent—showed a 4.1 *per cent increase in the June-to-June period.* Its *annual* rate calculated on the basis of the first half-year soared to 8.3 per cent.

Among EEC rates during the *half-year*, the UK's 15.7 per cent *came a narrow second highest* to Italy's 15.8 per cent, the latter calculated on the basis of five months. The EEC average was 10.7 per cent.

Gloomy Danish view of payments outlook

BY HILARY BARNES IN COPENHAGEN

DEMARK'S CURRENT balance of payments deficit *is* likely to increase from DKr 7.7bn (£633m) in 1978 to about DKr 12bn (£948m) this year and next, according to Mr. Knud Heinesen, the *Finance Minister.*

A deficit of this size, approximately equal to 4 per cent of last year's gross domestic product, was "extremely problematic," he said.

"We can't live with a deficit of this size in coming years. The interest burden on our foreign debt and *increases* in the debt are already limiting the flexibility of our economic policy and further indebtedness could cause us problems with foreign borrowing in the *future,*" he said.

The country's net foreign *debt is now in the region of* DKr 65bn (£5.35bn), about 21 per cent of gross domestic product last year.

"We are such a rich country that it is unreasonable for us to go on increasing our debt at the rate *we have done in the past,*" said Mr. Heinesen.

The main objective was to bring about an improvement in export competitiveness, though he did not exclude further restrictions on domestic demand. However, with unem*ployment running at about* 7 per cent on average this year, and private consumption likely to fall in the second half as a result of increases in indirect taxes, further demand restraint measures are not at *the forefront of Mr. Heinesen's mind.*

Among the Government's preoccupations after the summer holidays will be ways of preventing the oil price increases from being passed on in wage rises, as a result of indexation.

Wages are expected to go up by rather *more than* 2 per cent in September and over 3 per cent next March as a result of indexation. Pensions and social security incomes, where the indexation is 100 per cent, will increase by almost double these rates.

Mr Heinesen *said that the oil* price increases of June will have their first major impact on demand next year. At the moment, exports are being buoyed up by expansion in Sweden and West Germany. *But next year the Government's* economic experts expect business investment to weaken and the public sector growth to slow.

Mr. Knud Heinesen

Oslo again cuts bank liquidity

By Our Oslo Correspondent

IN ANOTHER *attempt* to curb bank lending, the Bank of Norway is halving the amount which savings and commercial banks may borrow from *it automatically* — the *so-called "A" borrowing* facility.

In addition, six banks will have this facility suspended completely, for the time being, because they have not been strict enough *in holding down loans to finance* consumer spending.

Once a bank has exhausted its "A" borrowing facility, it has to apply for a "B" (conditional) loan, which is given *only on condition that the* borrowing bank keeps its lending under a fixed ceiling for an agreed period.

The new regulation, to take effect from September 1, will *lower bank liquidity* by NKr 900m (£75.4m). It follows a Bank of Norway's recommendation that the primary reserve requirement *for savings banks should be* raised from 3 per cent *to* 6 per cent.

Forte to spend £80m on European hotels

BY ROBERT MAUTHNER IN PARIS

SIR CHARLES FORTE, chair*man of the British hotel and* catering group *Trust House* Forte, said in a newspaper interview here yesterday that his *company* had set *aside* £80m to buy new hotels in France and elsewhere.

Earlier this week Trust House Forte had placed advertisements in the French Press categorically denying that it was intending to sell any of its establishments in France, which include the Plaza-Athenee, *George V and* le Tremoille hotels in Paris.

Rumours that the prestigious Plaza-Athenee was for sale to an Arab group had spread like wildfire through the French capital, following news of the dismissal of its managing director, M. Paul Bougenaux, who had also managed la Tremoille.

Articles in various French newspapers subsequently suggested that M. Bougenaux had been sacked because of the system of worker-participation, which he had introduced in his hotel and which Trust House Forte feared would spread to the group's hotels in Britain.

In his interview with the Paris evening paper Le Monde, Sir Charles Forte vigorously denied that this was the reason *for M. Bougenaux's dismissal,* approved at a meeting of the board of Trust House Forte's French subsidiary GHA, on Tuesday.

Sir Charles said that he was strongly in favour of worker-participation in his hotels, which he had accepted *as long* ago as 1968 and which was working very satisfactorily at the neighbouring George V establishment.

M. Bougenaux had preferred to work for a competing hotel group, which included the Dor*chester in London, Sir Charles* said. The former *manager of* the Plaza-Athenee had broken his word by orchestrating a press campaign, he added.

In return for a large indemnity, M. Bougenaux had under*taken not to publicise the affair* until October 31, the date originally fixed for his departure.

Since he had not kept to this agreement his dismissal would take effect straight away.

EEC tax pressure on Portugal

BY JIMMY BURNS IN LISBON

PORTUGAL IS *facing* increasing pressure from the EEC to review its tax system and bring it into line with existing Community *regulations.*

This emerges from a working document prepared by Brussels and recently received by the Portuguese Commission for European Integration which is leading negotiations on EEC membership.

The document *is critical of a* wide range of indirect taxes which still discriminate against EEC products and which are contrary to the tax provisions of *the Treaty of Rome.*

Mainly for balance of payments reasons. Portugal since September, 1975, has been applying import surtaxes on most industrial products. Although the surtax has gradually been *phased out, the Commission* fears that imports *may* eventually be burdened by a new tax which will virtually have the same effect.

The document singles out the introduction *of VAT as one of the main problems facing* Portugal once she has acceded to the Community.

It stresses the urgent need for a harmonisation of the disparate *and disorganised sales taxes.* as well as of other isolated elements in Portugal's fiscal system such as certain local taxes on services and on transport.

The Commission recommends that Portugal analyse as soon as possible the problem of taxation and with a view to providing *some counter-proposals as* the basis for negotiation. The implication is that the subject is one on which Portuguese officials can no longer afford to drag their feet.

A positive contribution from their part will be expected at the next Deputy *level* meeting *scheduled for September.*

Italy debt abroad up £1.2bn

By Paul Betts in Rome

THE NET foreign indebtedness *of Italian banks* increased by some L2,200bn (£1.2bn) in the first half of the year. The banking system's net foreign indebtedness at the end of June totalled L8,085bn *(£4.41bn) compared* with L5,884bn (£3.21bn) at the end of last year.

This reflects in part the high liquidity and low interest rates of the Eurodollar mar*ket and in part the pressures* on Italian commercial banks to turn to the international market because of domestic credit expansion ceilings.

Indeed, the Italian monetary *authorities have encouraged* the banking system, favoured by the stability of the Italian currency, to turn to the international market.

At the same time, provisional figures released yesterday indicate a 5.5 per cent increase in industrial production in the first half of the year compared with the same period last year.

However, although there was a substantial recovery in industrial production at the end of last year and the beginning of this, *output suffered in May* and June as a result of *labour* unrest.

While output increased on a year-on-year basis by 7.9 per cent during *the first* quarter, it rose by only 6.7 per cent in the first five months of this year and by 5.5 per cent in the first half.

According to the *national* statistics bureau, ISTAT, the June figures were practically level with those of June, 1978.

The recent wave of strikes hit in particular the *mechanical* and chemical sectors whose output declined in June by more than 6 per cent com*pared with* the same month last year. However, *output* in all other industrial sectors increased by an average of 5 per cent.

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Top fund raiser to aid Connally

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE PRESIDENTIAL campaign of Mr. John Connally, the former Treasury Secretary and Governor of Texas, has acquired the services of one of the most adept fund raisers in the political business in the United States.

He is Mr. Richard Viguerie, financial darling of the New Right Movement, who has in recent years built up a formidable computerised direct mail operation able to raise considerable amounts of money in a short time.

For much of the last 18 months, Mr. Viguerie has been a prime architect of the budding campaign of another young neo-conservative, Congressman Philip Crane from Illinois. But Mr. Crane's organisation has been beset with internal disagreements for months now and it is widely expected that he will sink without trace.

In making his switch, Mr. Viguerie said that he had concluded that Mr. Connally had both the best chance of winning the Republican nomination next year and going on to beat whoever the Democrats fielded in November. But he stressed that he was working for Mr. Connally as a volunteer and had not entered into contractual relationship.

If he does, Mr. Connally will find it expensive. Typicaly, Mr. Viguerie charges about 40 per cent of the money raised as a fee for his services: in the case of Mr. Crane, unknown nationally when he began his presidential bid and still suffering from invisibility, the price was even higher: according to Mr. Viguerie, it cost about $2.3m (embracing his fee and other expenses) to generate some $2.8m in total campaign contributions.

For all his lustre (Time magazine two weeks ago enshrined him as one of the "50 faces for America's future," Mr. Viguerie has yet to achieve distinction in a national political campaign. He raised money for George Walace, the maverick Democrat, in his abortive effort in 1976 and has previously been loosely associated with Mr. Connally.

His expertise has lain more in fund-raising for special issues (anti-abortion, anti-Panama Canal, etc.) and in generally acting as a behind-the-scenes whizz kid for Conservative causes. His success record on such issues has been mixed.

Nevertheless, even with the advent of part federal financing for presidential elections, cash remains an important ingredient for any candidate in the marathon race for the White House, particularly with those runners, like Mr. Connally, Mr. Crane and a handful of other Republicans, who have declared their intentions very early.

Mr. Connally is, of course, independently wealthy and enjoys close ties, especially in Texas, to those who have traditionally underwritten candidates. But the limitations now in force on the amount individuals may contribute have underscored the need for the financial net to be trawled as widely as possible—which happens to be Mr. Viguerie's particular talent.

Governor John Connally... backed by the darling of the New Right Movement in his campaign for the nomination

Cancer risk found in Scotch whisky brands

BY DAVID LASCELLES IN NEW YORK

SCOTCH WHISKY contains cancer-causing substances, but in small quantities, whose effect on human beings has not yet been determined, according to a report published by the National Science Foundation in Washington.

In a study of six leading brands of Scotch sponsored by the NSF, scientists in Massachusetts found that six had traces of nitrosamines, a substance that has caused cancer in laboratory mice. The brands were Chivas Regal, Black and White, J. and B. Ballantine's, Sandy Scot and Cutty Sark. The seventh, White Label, contained no nitrosamines.

These Scotches had a level of nitrosamines ranging up to two parts per billion. It is still not known what effect this concentration would have on human beings. The only guide so far, according to the NSF, is evidence that ten parts in a billion induced cancer in mice when fed to them in their drinking water.

The NSF report was part of a broader investigation of the presence of nitrosamines in the human environment. These substances have already been identified in beer, bacon, processed meats and cosmetics The Massachusetts study showed, though, that they were not present in sherries, wines, liqueurs, brandies, gin and other distilled spirits.

The common ingredient of beer and whisky is barley. A spokesman for the Food and Drug Administration said that it appeared nitrosamines were formed during the barley-drying process.

The spokesman added that the Administration was concerned by the report and would be contacting the Scotch industry to see what can be done about reducing nitrosamine levels.

However, he said: "We do not know what effects nitrosamines have on human health. We are keeping a careful watch on the studies that are being made." Last year, the U.S. imported 53.6m gallons of Scotch whisky, valued at nearly $400m.

David Churchill adds: The UK drinks industry yesterday played down the report on the basis that it was not new and that steps had already been taken within the UK to remove the possible cause of the minute quantities of nitrosamines.

Woman set to win in Mississippi

By Our U.S. Editor

MRS. EVELYN GANDY has taken a big step towards becoming the first woman governor in the history of the state of Mississippi.

In the Democratic gubernatorial primary, Mrs. Gandy, currently the lieutenant governor, finished first of six candidates, but scored well under the necessary 50 per cent that would have assured her the *nomination and a straight fight* against a Republican in November. She thus faces a run-off against a former lieutenant governor, Mr. William Winter, on August 28.

Mrs. Gandy is a veteran of Democratic Party politics in Mississippi. Classically, Democrats have controlled state affairs, but last year a Republican, Mr. Thad Cochrane, was elected to the U.S. Senate, suggesting that the November poll will be no formality for whoever wins the Democratic run-off later this month.

Mrs. Gandy's success to date is noteworthy: The deep south generally has been disinclined to elect women into major public offices and has been much more comfortable with male representation.

But it has become increasingly apparent that the wind of change which has so transformed the lot of blacks in the south may now also be enhancing the political fortunes of women.

Optimism at GM over avoiding a strike

BY JOHN WYLES IN NEW YORK

Notwithstanding a claim by a company spokesman that it is separated from the United Auto Workers by "an exceedingly wide chasm," General Motors is still apparently optimistic that it can negotiate a new three-year pay and conditions contract without a strike this autumn.

According to the union, prospects for a peaceful settlement *before the current contract* expires on September 14 are slightly better than they might otherwise have been, following the company's statement of its position on health benefit costs on Tuesday.

All the big three car companies have been extremely concerned by soaring health costs over the last few years. GM claims that since 1976 the cost of health insurance premiums paid for its employees has climbed 50 per cent to $1.3bn.

During the last negotiations in 1976, Ford Motor Company dug in over its insistence that the workers pay part of their medical premiums and eventually suffered a strike. One of the car companies has been on strike in every bargaining round since 1964.

If there is a strike, GM is expected to be the target this year. But union negotiators have been cheered by the company's avoidance of a demand for shared insurance payments and its tabling instead of a number of proposals for "controlling benefit plan costs."

At the same time, GM is carrying through its earlier undertaking to make rising absenteeism an issue. The company claimed this week that absenteeism had risen 30 per cent to 5.8 per cent since 1976 and proposed linking time-off benefits to attendance. It also said that it wanted "more

Banks to advise Chrysler

BY OUR NEW YORK STAFF

IT IS REPORTED here that bankers to the troubled Chrysler Corporation might set up a special steering committee to advise the company if it becomes technically in default of its short-term loan agreements.

In return for $750m of bank credit, Chrysler is required to maintain working capital at a minimum of $600m. Since working capital had fallen by the end of June to $800m and the company's operating losses are continuing, it is thought possible that working capital may fall below this threshold.

Grumman settles union conspiracy suit out of court

BY OUR NEW YORK STAFF

GRUMMAN Aerospace Corporation has reached a $10,000 out-of-court settlement with the Amalgamated Clothing and Textile Workers' Union. This removes the company as a defendant in a conspiracy suit launched by the union in its campaign for recognition by J. P. Stevens, the leading textile company.

A spokesman for Grumman confirmed yesterday that the company had made the settlement with the union, but he also affirmed that Grumman was not admitting "any unlawful acts." Nevertheless, the company was acknowledging that two of its employees at Milledgeville, Georgia, had been involved in activities which are central to the union's case.

Last month the union filed a $12m suit in a U.S. district court in Macon, Georgia, alleging conspiracy by J. P. Stevens, Grumman, and two smaller textile companies, Concord Fabric and Meadows Industries. The union charged that Stevens and the other companies tried to thwart union organising in Milledgeville by exchanging information obtained by illegal police surveillance, and with violating the civil rights of workers and union organisers from July 1976 until early this year.

Other defendants in the suit included Milledgeville's mayor, its police chief, a detective and the manager of the local Holiday Inn where union organisers stayed and held many of their meetings.

All of these individuals have also made out of court settlements, reportedly involving payments to the union of between $250 and $1,000. Mr. Robert Rice, the mayor, and Mr. Charles Osborne, the police chief, have since made sworn depositions which have prompted the National Labour Relations Board (NLRB) to reopen sections of an unfair practices complaint filed against Stevens by the union. This was dismissed recently by an administrative law judge who said that the union had failed to prove animosity on the part of Stevens.

The NLRB's general counsel, Mr. John Irving, has said in a motion to re-open the record on the union's complaint that "newly discovered evidence shows anti-union animus of widespread and flagrant proportions."

He was referring to admissions by Mr. Rice and Mr. Osborne that they had police detectives record the licence numbers of cars parked outside union meetings. They then processed these numbers through police computers to establish ownership and therefore to identify those who were attending.

The names were then distributed to companies in their area. The union claims that "spying by the police was also conducted in Holiday Inn rooms adjoining those occupied by the union. Blacklists were compiled of those attending meetings and then distributed to particular local companies to advise them of union sympathisers in their employ."

The union said "this surveillance took place with increasing frequency between 1976 and 1978, and declined after attendance at union meetings had dropped off so sharply that the mayor and area industries were certain they had succeeded in keeping the union out of Milledgeville."

The union claims that attendance declined because Stevens workers were fired and harassed because of their union activities. There was a general awareness that a history of sympathising with a union would make it virtually impossible to find any other work in the area, the union said.

Mortgage interest rates worry builders

BY DAVID LASCELLES IN NEW YORK

THE NUMBER of housing starts in the U.S. has become, like the consumer price index or the growth in the Gross National Product, an important indicator of the state of the economy. This This is because it reflects a lot of things: the strength of the credit markets, the cost of land and materials, the state of the housing industry, family budgetting habits, even demographic trends.

So far this year, the number of housing starts has been running 15 to 20 per cent below last year's 1.96m, providing further evidence of the recession which most economists believe is under way, and there seems to be little relief in sight.

The National Association of Home Builders estimates that this year's final total will work out at 1.6m, of which 1.2m will be single family units and the rest multi-family units. For next year, it forecasts a further decline to about 1.5m of which 1.1m will be single family units.

Both these figures are well down on the 2.1m plus levels set early in the 1970s during the most recent major housing boom. (The last housing boom in 1977-78 did not quite match those levels.) However, they also suggest, that the coming recession will not be as bad as 1974-75 when housing starts dropped below 1.5m and even fell below 1m in the depths of that winter.

The biggest single factor affecting housing is the cost of mortgage finance. According to the latest report of the Federal Home Loan Bank Board, the average mortgage in early July carried an interest rate of 11.19 per cent, up 10 basis points on June, and up from 9.83 per cent a year earlier.

The point about these mortgages is that, unlike European mortgages, they are fixed rate: a homebuyer borrowing now will pay that rate for the life of his mortgage even if the market weakens. The high cost of mortgages can therefore be a big discouragement to buyers.

Though the economy's entry into recession is likely to bring down the cost of finance, the descent is not expected to be rapid, mainly because the country's high rate of inflation (currently running at over 13 per cent a year) is bound to keep up the cost of money.

A special feature of this particular cycle is the growing shortage of funds at the savings and loan institutions, the U.S. equivalent of the building societies. Recent changes in banking regulations have removed some of the competitive edge which the institutions had over commercial banks as regards the interest rates they may pay depositors. These have left them less well placed in the hectic race for funds.

In the New York area, for instance, the institutions now rarely advance mortgages of more than $75,000, while commercial banks go well above that figure. Interest rate ceilings in a number of states have also made it less attractive for local banks to make home loans.

This is bad news for the country's 100,000 private builders, many of whom run small, local operations and are living from hand to mouth. Any sharp downturn is bound to send many of them to the wall, and swell the ranks of the jobless, but this also presents problems for the big, nationwide builders.

U.S. Home Corporation, the country's largest, estimates that housing will be off 20 per cent this year, and that most of the drop will be in the second half. To counter this trend, the company has shifted its emphasis to building condominiums, or clusters of apartments for sale as opposed to rent, which raises the density of housing and therefor lowers its price.

Mr. Guy Odom, the chairman, said this should position the company better for a recession, though he found it hard to predict what would happen next year. "It all depends on interest rates," he said.

Centex, a large homebuilder based in Dallas, also expects a fairly sharp downturn, though Mr. Frank Crossen, the company's chairman, recently told shareholders that this might not altogether be a bad thing since it would enable the company to "consolidate" its operations.

Kaufman and Broad, a builder which also has interests in Europe, argues that the bigger companies are better placed to cope with the recession because of their greater financial muscle. But Mr. Eli Broad, chairman, comments: "Over the next six months, the greatest problem facing the U.S. housing industry will not be the cost of money, but its availability."

Mr. Odom, of U.S. Home, estimates that his company's costs are rising about 10 per cent a year, and that he can pass this rise on to the buyer. The average price of the 11,900 homes his company sold last year was $52,800. In the first six months of this year, the average had risen to $57,000.

However, with house prices soaring on the open market, the housebuilding industry is sensitive to charges that it is pushing up prices for all it is worth. U.S. Home estimates that housing is a victim rather than a cause of inflation, and that in real terms the cost of housing has declined against other measures of value, like silver. Mr. Odom also claims: "American homes are still a bargain, particularly if you compare them with Europe."

In the longer term, though, the housing industry believes its prospects are good. Once interest rates come down, the underlying demographic trend suggests strong demand. The key 25-34 age group is benefiting from the post-war baby boom, and this demographic wave should last well into the 1980s.

NEW ZEALAND'S TROUBLED ECONOMY

Twin problems of inflation and the brain drain

BY KEITH OVENDEN IN WELLINGTON

ANXIETIES ABOUT the underlying weakness of the economy have come to dominate New Zealand politics in recent months.

On July 24, Mr. Robert Muldoon, the Prime Minister, whose National Party was re-elected to a further three-year term of office last November, intervened to make a General Wage increase of 4.5 per cent and to abolish the Arbitration Court. The court, set up by the Government about two years ago to make wages orders for the workforce generally was about to start hearings on a proposal by the Federation of Labour for a minimum wage that was geared to family living costs.

This move came just as tension was mounting over pressure from the Drivers' Union for wage increases.

Wage Bargaining is yearly and starts each July, and the Drivers' Union, which has been in negotiation for many weeks, is regarded as the trend-setter. The proposal on offer from the employers is for a 13 per cent increase above the 4.5 per cent already granted by the Government.

The union leaders have called this unacceptable, but have agreed to ballot their members.

Even if the offer is accepted, inflation prospects are widely regarded as grim. On June 7, the Institute for Economic Research (a Government-funded independent body), in its quarterly predictions for the 1979-80 financial year, forecast wage and salary increases of 14.5 to 15 per cent, and an inflation rate for the full year of 12.5 per cent. The Institute's domestic price forecasts include production costs and so would be slightly lower than increases in the Consumer Price Index.

Since these forecasts on June 7, Mr. Muldoon, who is also the Minister of Finance, has introduced his budget, which included steep increases in charges for various consumer services, as well as the General Wage Order. The next Institute quarterly predictions, due in mid-September, are expected to *forecast an inflation rate that* is substantially higher.

Employers Federation members are saying privately that they expect inflation to be between 18 and 20 per cent by the end of the year, but to decline a little in the March and June quarters of 1980, to give a July year annual figure of about 15 to 17 per cent.

The employers insist that they have no desire to see real incomes fall during this latest burst of inflationary pressure and are anxious to see the Government reduce taxes as a means of protecting the purchasing power of workers. They are bringing pressure to bear on the Government to this end.

These anxieties about another round of inflation come at a time when there are also anxieties about emigration figures.

Trevor Humphries

Mr. Robert Muldoon, New Zealand's Prime Minister

In the year to the end of March 1979 the net loss of people through migration was 40,200 (permanent or long-term departures), of whom 28,332 described themselves as active in the labour force. What particularly worries the Government is that those leaving include some of the best brains in the country. Most are going to Australia.

For the first time, except for the war years, this loss exceeded replacement by birth, so that in the financial year New Zealand experienced a decline in population of 0.04 per cent.

This outflow of people is increasing. In the year to the end of May last, the net loss had risen to more than 42,700.

Since most of these people are of working age, New Zealand is clearly exporting its unemployment. The Organisation for Economic Co-operation and Development Economic Survey, prepared a year ago but published only last January, said as much.

Nonetheless, substantial unemployment remains. At the end of June the number of registered unemployed and the numbers employed in the Government-sponsored special employment scheme totalled 50,316.

At 4.2 per cent of a total workforce of 1.2m, this figure is dramatically high for a country in which there was virtually no unemployment at all from the late 1930s to the late 1960s.

Since married women are not eligible for unemployment benefit, the real level of unemployment is certainly even higher. The OECD put the "potential unemployment rate" at 6½ per cent for March, 1978, and it has risen since then.

Wages, inflation, unemployment, and population loss are causes of anxiety evident among the general public.

For policy planners and the Government, the most intractable problem remains the deficit on overseas trade. Here the repeated impact of oil prices is damaging and demoralising, as are the restrictions on imports of agricultural products imposed by the developed world.

The Government has sought to set in train a partial restructuring of the economy, which will accelerate the trend away from dependence on agricultural products by rewarding manufacturers who are active in other types of export market.

It has also introduced a number of measures to limit the consumption of liquid fuel, although whether these can be said to be successful is open to doubt.

When Mr. Muldoon returns from the Commonwealth conference in Lusaka, his first political priority will be a by-election in Christchurch. The seat is a safe labour stronghold and the National Party's objective is to stave off the possibility of being humiliated into third position by the Social Credit Political League.

Certainly the Government's popularity has slumped and there are repeated whisperings inside the National Party about the need for a new leader in time for the next election, in 1981.

Syria-Iraq crisis expected after Baghdad's execution of plotters

BY IHSAN HIJAZI IN BEIRUT

TWENTY-ONE Iraqis were executed in Baghdad yesterday after an emergency court had sentenced them to death for their role in a conspiracy against the three-week-old regime of President Saddam Hussein.

Among those executed were five members of Iraq's highest executive, the Revolutionary Command Council. The executions were carried out by firing squad at a prison in the capital.

The executions bring to 249 the number of Iraqis executed on charges of conspiracy, anti-state activity and espionage since the Ba'athist regime came to power 11 years ago.

The speedy carrying out of the death sentences is seen as President Saddam Hussein's way of crushing his enemies and deterring others from engaging in attempts against his regime.

Fears have been expressed here that a crisis which has been developing between Iraq and Syria since the uncovering of the plot is about to come into the open.

Mr. Abdul-Halim Khaddam, Syria's Foreign Minister, is believed to have visited Baghdad twice in the past week with messages from President Hafez Assad declaring Syrian innocence and giving warnings against attempts to drive a wedge between the two regimes.

It is suggested that the Syrians admitted that certain organs within the Syrian regime might have been in contact with elements in Iraq in 1975, when the two countries were engaged in a fierce power struggle. The two Arab neighbours announced an end to their differences last October and started planning a full union of their countries.

According to the Beirut left-wing daily, As Safir, the Syrian-Iraqi feud will shatter the attempts at union if it is allowed to recur. It would also threaten the overall Arab front opposed to the Egyptian-Israeli peace treaty.

The newspaper said that Syria would then be left alone to face Israel, in which case the Israelis might be encouraged to invade southern Lebanon to strike at both the Syrian forces and the Palestinian guerrillas.

According to information available here the Iraqi plot was discovered accidentally. Late in June, Abdul Hussein Mashhadi, one of those condemned yesterday, protested during meetings of the Revolutionary Council against, what he called, ruthless suppression of demonstrations by members of Iraq's Shia community. The demonstration had followed the deterioration in relations between Iraq and the Khomeini regime in Iran.

Mashhadi is reported to have been reprimanded by Saddam Hussein, who was then vice-chairman of the Revolutionary Council. On July 12, the council decided to expel Mashhadi but when Saddam Hussein informed him that the decision was unanimous, Mashhadi is said to have asked: "Are you sure it was unanimous?" That prompted questions about his possible supporters in the council.

It was then that Masshadi made a full confession about the existence of a political bloc within the regime including five members of the Revolutionary Council. He is reported to have said the group was set up in 1975 and that it had been in contact with Syria ever since.

China's timid managers rebuked

BY JOHN HOFFMANN IN PEKING

SOME CHINESE officials still have misgivings about the nation's modernisation programme, an editorial in yesterday's issue of the newspaper Workers' Daily, said.

The newspaper gave warning that timidity and misguided thinking among managers could be serious obstacles to the economic development envisaged by the country's leadership.

It called on people to "break the shackles of force of habit, acquire scientific knowledge and blaze a new trail to modernisation."

The editorial was directed at middle management, where many have been confused by sudden changes in economic policy and are unused to the new responsibilities thrust upon them.

The freedom to make managerial decisions and the obligation to perform well or take the consequences have proved to be frightening to many who had found inaction to be the safest course, especially during the Cultural Revolution.

To relieve unemployment in the cities, the Government has again given notice that large numbers of young people will be sent to remote parts of the country.

An article in the Communist Party's theoretical journal, Red Flag, says that part of the country's educated youth will be "encouraged to go down to the countryside in the coming years."

But it is apparent from the tone of the article that encouragement really means assignment.

Such a life could be arduous and unwelcome for millions of well-schooled young people hoping for jobs in industry, commerce or administration in their home cities, where life is much more comfortable than in the rice paddies of communes or State-run farms.

The "Educated youth to the countryside" movement was a mainstay of the agricultural policies of the late Chairman Mao Tsetung—an ill-devised attempt to inject new skills and enthusiasms into the crucial task of producing food for the world's most populous country.

The compulsory mass migration of young city-dwellers in the 1950s and 1960s was a near disaster.

Commune peasants, bound together by strong family and village loyalties, resented sharing their land and food with unwilling, often incompetent, strangers. The transplanted youths disliked being separated from their families, forfeiting the city environment with which they were familiar and wasting the benefits of their education.

The result in recent years has been a continuous illegal drift of disaffected young people back to the cities, where they have compounded a crisis of unemployment set off by decades of economic stagnation.

The Red Flag article acknowledged shortcomings in the past policies, blaming them, predictably but perhaps with some justification, on the economic destructiveness of the Gang of Four, led by Mao's wife Jiang Qing, which now officially carries responsibility for the anarchic excesses of Mao's Cultural Revolution.

Anticipating the inevitable apprehension among the potential new farmers in the cities and in an attempt to sugar the pill, the article said: "China's agriculture is backward and its development calls for talented people."

But there is an ominous promise in another paragraph: "The border areas occupy half of the country's land and are sparsely populated. Thus, large tracts of arable land are waiting to be opened up."

Sharp drop in aid from OPEC

By James Buxton

AID FROM members of the Organisation of Petroleum Exporting Countries fell by about 35 per cent in 1978 from $5.7bn to $3.7bn, according to figures compiled by the Organisation for Economic Co-operation and Development, based on returns from OPEC.

This sharp drop is likely to lead to increased pressure on the oil producing states from non-oil-producing developing countries, especially in view of the fact that oil prices have so far this year risen by about 60 per cent.

Since the 1973-74 price rise the OPEC countries, predominantly the Arab ones, have become bid aid donors. Actual disbursements, as opposed to commitments, rose from $1.3bn in 1973 to $3.4bn in 1974 and averaged $5.4bn a year between 1975 and 1977.

This meant that oil producing states aid was equivalent to more than 2 per cent of their collective gross national product. This compares with the western countries' aid which has lately been about 0.3 per cent of gross national product against their avowed target of 0.7 per cent.

The big drop in OPEC disbursements in 1978 was largely because there was no repetition of the payment of about $2bn to Egypt in 1977 by the Gulf Organisation for the Development of Egypt, whose members are Saudi Arabia, Kuwait, the United Arab Emirates and Qatar. It was also because of the termination of Iran's aid programme as a result of the revolution.

The OECD's Development Assistance Committee has adjusted downwards its figure for oil producers' disbursements in 1978 since it originally published it in June this year. The earlier figure was $4.8bn.

Critics of the oil producers' aid programme point out that this aid, virtually all of which comes from Arab countries, is heavily concentrated upon a small number of recipient states. In 1976 some 71 per cent of the aid went to five countries —Egypt, Syria, Jordan, India and Pakistan.

They also point out that while a large proportion of aid to Arab countries is for balance of payments or budgetary support rather than tied to specific development projects (programme aid) most given to non-Arab countries is tied specifically to projects and has ben disbursed fairly slowly.

Editorial comment, Page 16

New Pakistan plea for debt rescheduling

ISLAMABAD — Pakistan has asked a World Bank-led consortium to reschedule debts of about $880m, officials have disclosed.

Pakistan wants to revamp a four-year debt cycle that started last July by rescheduling either all of its official development assistance or 75 per cent of its publicly-guaranteed civil debt that has a duration of more than one year.

Since 1978, Pakistan has been trying to get the World Bank's Aid to Pakistan consortium to reschedule its debt, but requests have been denied.

Pakistan's latest request cited the strain on its balance of payments caused by recent oil price increases by the Organisation of Petroleum Exporting Countries. These are expected to raise Pakistan's oil bill by $200m to $935m in fiscal 1980.

AP-DJ

Ayatollah Khomeini calls for an end to strikes

BY ANDREW WHITLEY IN TEHRAN

WITH INDUSTRIAL unrest spreading throughout post-revolution Iran, particularly in the public sector, Ayatollah Khomeini, the unofficial head of state, has appealed for an end to the strikes and sit-ins.

In a nationwide radio broadcast yesterday, the 79-year-old Ayatollah said that weakening the Government "and spreading lies and rumours" was contrary to the interests of the people and the deprived.

He said everyone should be uniting to help rebuild Iran, but he was hearing about "strike after strike, sit-in after sit-in, protest march after protest march, lie after lie. . . ." This was said to be at a time when the Government was trying to effect improvements "and make good the anomalies."

The appeal for unity was the strongest so far from the Ayatollah, but with inflation thought unofficially to be around 30 per cent, and little progress on the workers' main economic grievances, especially the lack of housing, it is unlikely to be heeded.

The Government is known to be concerned about the economic disarray. An ambitious programme to encourage unemployed city dwellers to return to the countryside appears to have fizzled out. On the other hand, yesterday's attempt to assassinate a leading industrialist, Mr. Ahmad Ladjevardi, will have done little to encourage other Iranian investors to return from abroad.

Mr. Ladjevardi's family owns the Behshahr Group, Iran's largest industrial concern. He is the only major industrialist under the former regime to have returned to Iran. He is said to be in a critical condition after being shot by gunmen who later claimed to belong to the Forqan terrorist group, responsible for two previous assassinations.

In the latest strike, the 42-ship fleet of Arya, the national shipping line, is reported to have been paralysed.

SRI LANKA'S RACIAL CONFLICTS

A hearing for Tamil grievances

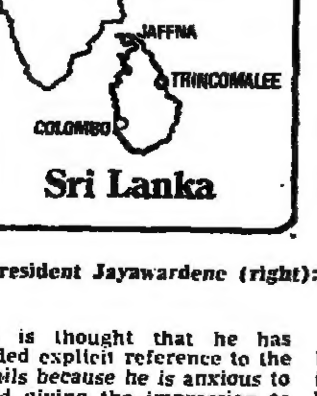
BY MERVYN DE SILVA IN COLOMBO

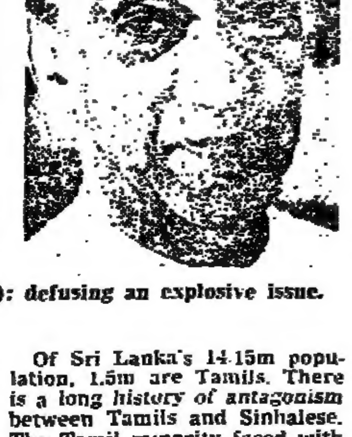
SRI LANKA'S President Mr. Junius Jayawardene, anxious to defuse the country's explosive racial conflicts, has set up a commission to investigate the grievances of the Tamil minority. The decision is seen as an attempt to reach a negotiated settlement with the Tamils over their demands for autonomy.

Establishment of the 10-member presidential commission follows a steady growth of terrorist violence in the northern area around Jaffna, where the Tamils are in a majority. A state of emergency has been declared in Jaffna, while a new and severe anti-terrorist law has been rushed through Parliament.

Mr. Jayawardene's Government promised to examine Tamil grievances when it swept to power in a landslide victory in mid-1977. Since then, Tamil has been restored as a national language. The Government has also granted judicial and administrative independence to the northern and eastern states, where Tamils form a majority of the population.

In setting up the commission, Mr. Jayawardene has nevertheless avoided any specific reference to the Tamils. Its terms of reference are to report on devolution, decentralisation and district development councils.





President Jayawardene (right): defusing an explosive issue.

It is thought that he has evaded explicit reference to the Tamils because he is anxious to avoid giving the impression to the Sinhalese majority on the island that he is yielding to minority pressures. The decision to set up the Commission nevertheless reaffirms Mr. Jayawardene's determination to reach a negotiated settlement with the separatist Tamil United Liberation Front, the main opposition party in Parliament and the ruling party in Jaffna.

Of Sri Lanka's 14.15m population, 1.5m are Tamils. There is a long history of antagonism between Tamils and Sinhalese. The Tamil minority faced with what it has felt to be persistent neglect of demands for some degree of autonomy, has resorted in recent years to increasingly extreme political activities.

At the forefront of terrorist activity is a clandestine group calling itself the Tamil Liberation Tigers. This group is thought to be responsible for bank robberies and numerous political murders throughout the north of Sri Lanka. Fifteen policemen have been killed while investigating terrorist activity.

The commission will be chaired by Mr. Victor Tennekoon, a former chief justice, and has party nominees from the opposition Liberation Front Party and Mr. Jayawardene's United National Party. The Liberation Front has chosen Professor A. J. Wilson as its nominee. Professor Wilson is son-in-law of Mr. S. Sj. V. Chelvanayakam, the Gandhian father-figure of Tamil politics.

The United Left Front, which has no parliamentary representation, was not invited to nominate a member, while Mrs. Bandaranaike's Sri Lanka Freedom Party rejected the invitation.

Mrs. Bandaranaike has persistently claimed that Mr. Jayawardene's ruling United National Party is becoming increasingly authoritarian. She points to the recent anti-terrorist law and argues that powers given to the Government by this Act will be used not simply against terrorists but against opposing political parties.

S. Africa to buy 12 Boeing airliners

By Bernard Simon in Johannesburg

THE SOUTH AFRICAN Government has authorised South African Airways to buy 12 Boeing 737 aircraft at a total cost of around £65m.

The order is the biggest ever placed by SAA, which currently has a fleet of 36 aircraft.

According to Mr. Chris Heunis, the Minister of Transport, the contract for the aircraft is expected to be signed before the end of the year, and delivery will take place in early 1982.

The jets being ordered will have a 115-seat configuration, and will replace SAA's older Boeing 727s on the airline's low-density internal and regional routes.

The airline says that the new order will not affect its use of the Airbus, of which it has four, with one on order.

A major reason for the decision to buy the twin-engined Boeing 737s is that they are 40 per cent more fuel-efficient than the 727 trijets.

Trucks for Greece

Stonefield Vehicles of Cumnock, Ayrshire, manufacturers of cross country vehicles, has won an initial order worth £2m from Greece for the supply of 150 vehicles and parts to be delivered within the next 12 months.

Lebanese patrol boats

Lebanon is to buy two patrol boats from Britain for about 5m Lebanese pounds (£700,000) for anti-smuggling operations, Customs officials said, Reuter reports. They said the boats, which will be equipped with heavy machine guns, are due to be delivered early next year.

Cheap credit for Vietnam

VIETNAM is to enjoy preferential credit rates when drawing loans to finance intra-Comecon trade, according to Rynki Zagraniczne, the Polish foreign trade paper, Christopher Bobinski reports from Prague. According to decisions taken at the last Comecon summit in June the Moscow-based International Bank for Economic Co-operation (IBEC) will make loans to Vietnam at between 2 per cent and 0.5 per cent annual interest.

Westwind demand up

Israeli Aircraft Industries is about to increase its output of the Westwind executive jet from 30 a year to 48 and may increase this further to 72 in view of current demand. The company has orders on hand for the prospective output of the next nine months. L. Daniel writes from Tel Aviv.

German buses to Israel

EGGED, the interurban Israeli bus company, has signed an agreement with Mercedes for the supply of 1,150 buses in the next two years, subject to approval by the Government, L. Daniel writes from Tel Aviv. The value of the transaction is put at about £50m.

New U.S. trade chief faces early Congressional test

BY DAVID BUCHAN IN WASHINGTON

MR. REUBIN ASKEW, the former Florida Governor, was yesterday strongly tipped as the new U.S. Special Trade Representative, replacing the redoubtable Mr. Robert Strauss, now the U.S. mediator in the difficult Palestinian autonomy talks in the Middle East.

Mr. Askew, who has no previous record on trade policy, is likely nonetheless to carry weight on Capitol Hill. Governor of Florida for eight years until this January, Mr. Askew is a well-known progressive Democrat, was canvassed in both 1972 and 1976 as a possible Vice-Presidential candidate, and has long been considered a political ally by the Carter White House.

It was Mr. Strauss' egregious political skills that were in major part responsible for the remarkably smooth passage of the GATT trade agreement through Congress last month.

Mr. Askew's first task, when he takes over his new trade job in September, will be to negotiate with Congress on the Carter Administration's proposal to re-organise trade functions within the federal bureaucracy, in the wake of the new Trade Act.

Some senators have sharply criticised the Administration plan, which would regroup trade responsibilities under the White House Trade Office and a revamped Commerce department. They have argued instead for consolidating all trade policy and operations in a single, brand new department.

If the Administration plan goes through, Mr. Askew will find himself heading a Trade Office with new responsibility for all commodity and East-West trade negotiations (taken from the State Department) as well as implementing the GATT accords which Mr. Strauss spent so long negotiating. Mr. Alonzo MacDonald, currently Mr. Strauss' deputy, is to take temporary charge of the White House Trade Office until Mr. Askew is installed.

Separately, the Carter Administration has informed China that it must expect further delays in the approval by Congress this year of legislation giving China tariff concessions from the U.S.

The Administration signed a trade pact with Peking in ea[rly] July that included m[ost] favoured nation tariff treatm[ent] for Chinese goods, but took [no] action to send it to Capitol [Hill] before Congress recessed [last] week.

The issue is sensitive [and] politically charged because [the] Administration had wanted [to] propose at the same time M[FN] treatment for the Soviet Un[ion] to appear even-handed tow[ards] Moscow and Peking. The po[liti]cal problem is that while Pe[king] has provided assurances [on] emigration, Moscow has not.

The Congressional pictu[re is] further confused because [the] crucial emigration Amendme[nt's] two sponsors are now appar[ently] urging different tactics.

Senator Henry Jackson, [a] noted opponent of the S[ALT] arms treaty, is recommen[ding] that Congress push ahead on [the] Chinese trade pact. Represe[nta]tive Charles Vanik, who ch[airs] the House Trade Subcommit[tee], by contrast has said he w[ants] to mete out simultaneous [and] equal treatment to Peking [and] Moscow, and that he is wil[ling] to accept the current rate [of] Soviet Jewish emigration.

Saudis assured on hospital deal

BY JAMES BUCHAN IN JEDDAH

A BELGIAN hospital construction contract in Saudi Arabia, surrounded by allegations of large kickbacks and thrown into doubt by the bankruptcy of a leading member of the consortium, will be completed, according to Dr. Muhammad Abdo Yamani, the Saudi Information Minister.

"The Belgian Government has given assurances to this effect," Dr. Yamani said this week. He also said that Saudi-Belgian relations would not be affected by "lies and misinformation," an apparent reference to Press reports that the $1bn contract was secured in 1976 through commissions to Saudi and Belgian officials of the order of 20-25 per cent of the final contract price.

Dr. Yamani's unprecedented statement will be of considerable relief to Belgian officials who feared that the collapse of the consortium member, Eurosystem Hospitalier, and the ensuing uncertainties could make it hard for Belgian companies to compete for Saudi public sector contracts.

Dr. Yamani said that the project's client, the National Guard, had met a delegation from the other eight members of the consortium and agreed that the project—now delayed about 14 months in certain portions—would be completed under the same terms and specifications.

Last September, the guard, dissatisfied at the consortium's progress on associated housing complexes at the two hospit[als], cut off payments.

Although M. Henri Simon[et], the Belgian Foreign Minist[er], said last month that Bruss[els] would not step in to ease t[he] financial difficulties, Belgi[an] officials here have said that t[he] Government has been applyi[ng] pressure for a solution on [the] eight and on Eurosystem's [...] per cent owner, the explosiv[es] concern Poudreries Reunies [de] Belgique, an affiliate of Socie[te] Generale de Belgique.

Part of Brussels' embarras[s]ment stems from its clo[se] involvement with the award [of] the contract in June 1976. T[he] order was the largest ev[er] awarded here to Belgian indu[s]try and the first major contra[ct] to carry cost escalation clause[s].

ASEA wins new order from Iran

By John Walker in Stockholm

ASEA, the Swedish heavy electrical engineering group, has won an order from the Isfahan Regional Power Company (IRPC) in Iran for the turnkey delivery of 18 substations. The value of the order is approximately SKr 120m ($28.5m).

The substations will be located within a radius of 300 km from Isfahan and will be constructed in stages over a period of two and a half years.

During the last three years Iran has ordered transformer stations valued at SKr 1bn and prompt deliveries for these earlier orders played a major role in securing the new order.

Tokyo trade mission to test Mexican potential

BY WILLIAM CHISLETT IN MEXICO CITY

MR. MASUMI EZAKI, Japan's Minister for International Trade and Industry, arrives here on Friday for a five-day visit to discuss, among other matters, buying Mexican crude oil and establishing steel projects in Mexico.

His arrival will be followed next Monday by that of Mr. Sunao Sonoda, the Japanese Foreign Minister, reinforcing Japan's determination to catch the Mexican oil boat and, at the same time, participate in the take-off in the Mexican economy, which the oil revenue will bring.

Japan imports almost all its oil and has started Government-to-Government talks to buy Mexican oil. Pemex, the State-owned oil monopoly, is understood to have earmarked about 200,000 b/d for export to Japa[n] next year.

The Mexican Ministry [of] National Patrimony and Indu[s]trial Development is nearing th[e] completion of discussions wit[h] Sumitomo Steel and Kobe Stee[l] to build a steel pipe mill an[d] a casting and forging mill a[t] Lazaro Cardenas on the Pacifi[c] Coast, which has been desig[]nated one of the country'[s] priority new development area[s].

The Japanese companies ar[e] expected to finish their feas[i]bility studies soon and, on thi[s] basis, Sidermex, the Govern[]ment's holding company, whic[h] oversees the three State stee[l] mills, will decide whether t[o] build the new mills in a join[t] venture with the Japanese com[]panies or to do it by itself.

JAPAN-CHINA JOINT VENTURE MOOTED

Electrical groups 'unenthusiastic'

BY RICHARD C. HANSON IN TOKYO

KONOSUKE MATSUSHITA, the 84-year-old founder of Matsushita Electric Industrial (MEI), is proposing that the 10 leading electric companies in Japan form a joint venture with China —an idea which occurred to him during a recent visit to Peking.

The other companies, however, appear to be less than enthusiastic about the project, with some hoping it can be quietly shelved without embarrasing Mr. Matsushita or his company.

MEI has already drafted an outline of what shape such a joint venture could take, and the elderly Matsushita (now a senior adviser) has been making the rounds of other companies trying to drum up interest in the venture. The Japanese-Chinese company, under the draft, would be owned 50-50 by each side, with the Japanese dominating management, providing know-how, technology and equipment and getting 10 per cent of the profits.

The scheme would be to set up a number of companies around China to manufacture various products: a structure similar to MEI's own in Japan.

A MEI memorandum proposes that one of the 10 Japanese companies be chosen as a main partner, contributing half of the Japanese capital share and the lion's share of expertise on technology and management. The main partner would also provide the president of the joint venture.

These details are expected to be discussed among the top executives of the companies being contacted later this month.

Mr. Matsushita, whose company is the largest home appliance maker in the world, visited China at the end of June. If further details of his plan can be agreed on, another trip will be made this autumn to sound out the Chinese.

Officials of other companies being contacted by MEI have reacted coolly to the idea. Aside from the practical problems involved in creating a venture in China, it is unlikely that the fiercely competitive electronics companies could ever agree among themselves on terms. There is also the question of whether such a monopolising venture would be acceptable to the Fair Trade Commission.

The idealistic Mr. Matsushita is well known for other pet projects including his magazine Peace, Happiness and Prosperity, which declares its sole policy is to help create a better world to live in. The China venture is being inspired by Mr. Matsushita's desire to help China modernise itself.

Others in the industry hope that perhaps some kind of alternative can be found to the joint venture plan, such as an industry-wide committee to advise China in developing its electronics industries.

Former trade negotiator justifies concessions

TOKYO — Japan has made more concessions on trade in the past two years than the U.S. or the European Community, and is now as liberal toward imports as any other country in the world, according to Japan's former top trade negotiator.

"Japan will have the lowest average tariff of any country after the Tokyo Round tariff reductions are carried out," Mr. Nobuhiko Ushiba, who resigned last week as head of the Japanese delegation to the Multilateral Trade Negotiations in Geneva, said in an interview.

"We have eliminated the most conspicuous non-tariff barriers almost completely. As far as quotas, we are as liberal as the U.S. or Europe," he said.

In the past several years of tough bargaining, "Japan made very much the biggest concessions . . . there are still some hidden barriers (to imports to Japan) that we have to eliminate or improve, but these things cannot be done in a short time."

Mr. Ushiba, once Japan's Ambassador to the U.S., became head of the Japanese delegation to the Geneva talks, called the Tokyo Round of Multilateral Trade Negotiations because they began here.

"The Tokyo Round achieved more than 80 per cent of its original purposes," he said. "We stopped the tide of protectionism. There was strong pressure for it, but nothing really happened. The general reduction in tariffs was very, very conspicuous—to an average of 3 per cent for Japan, 4 per cent for the U.S. and 5 per cent for the EEC.

"It almost precludes the necessity of ever negotiating again seriously on tariffs," he said.

Among the few failures of the Tokyo Round were that "We could not convince most of the developing countries to join. It will take more time, but ultimately we should be able to get most of them."

Mr. Ushiba also said that while there has been great improvement in understanding Japan by the U.S. and Europe, a lot of ignorance remains, particularly on the part of the EEC.

"The EEC only found Japan two years ago. Until then they ignored us. Now they have found Japan is a growing market, they see they have a deficit with us," he said.

"There is a lot of misunderstanding and ignorance about Japan in the EEC. They call us workaholics who live in rabbit hutches. They are jealous of our relationship with the U.S., saying we make concessions to the U.S. and not to them. That's all not true."

Both the U.S. and Japan have made mistakes in dealing with each other the past few years, Mr. Ushiba said, and some still remain.

"Your people are always very hasty," he said. "If we tell you we can change this, you think it can be done immediately. No country can make the kind of immediate change (that U.S. negotiators ask)."

For example, the U.S. reaction to Japan's rising trade surpluses was "somewhat irrational."

"It was caused to a great extent by inflation, and partly because of the fall of the dollar," he said. "We cannot change that single-handedly."

Now that the surpluses are shrinking from last year's current account surplus of $12bn (£5.1bn) to a predicted $7.5bn this year, "the situation is much calmer," he noted.

The U.S. side kept using its Congress as a bludgeon to get more speed and more concessions, he said.

"They said 'Congress will not accept . . .' and 'Congress will do this.' We were being asked to negotiate with the U.S. Congress, as well as Ambassador Strauss, which was difficult enough. It made us very unhappy."

On Japan's part, he said: "We have not paid enough attention to the change in the climate in Congress, and the relations between Congress and the President. We did not know Congress was so powerful. It was quite different under Nixon." AP

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Official Department of Energy MPG Figures			
	Imperial MPG		
Manual gearbox	Urban	56 mph	75 mph
Princess 1700HLS	29.7	38.2	28.4
Princess 2000HLS	27.2	37.7	27.7

Metric equivalents, L/100km Princess 1700HLS: Urban [illegible] Princess 2000HLS, Urban 10.4; [illegible]

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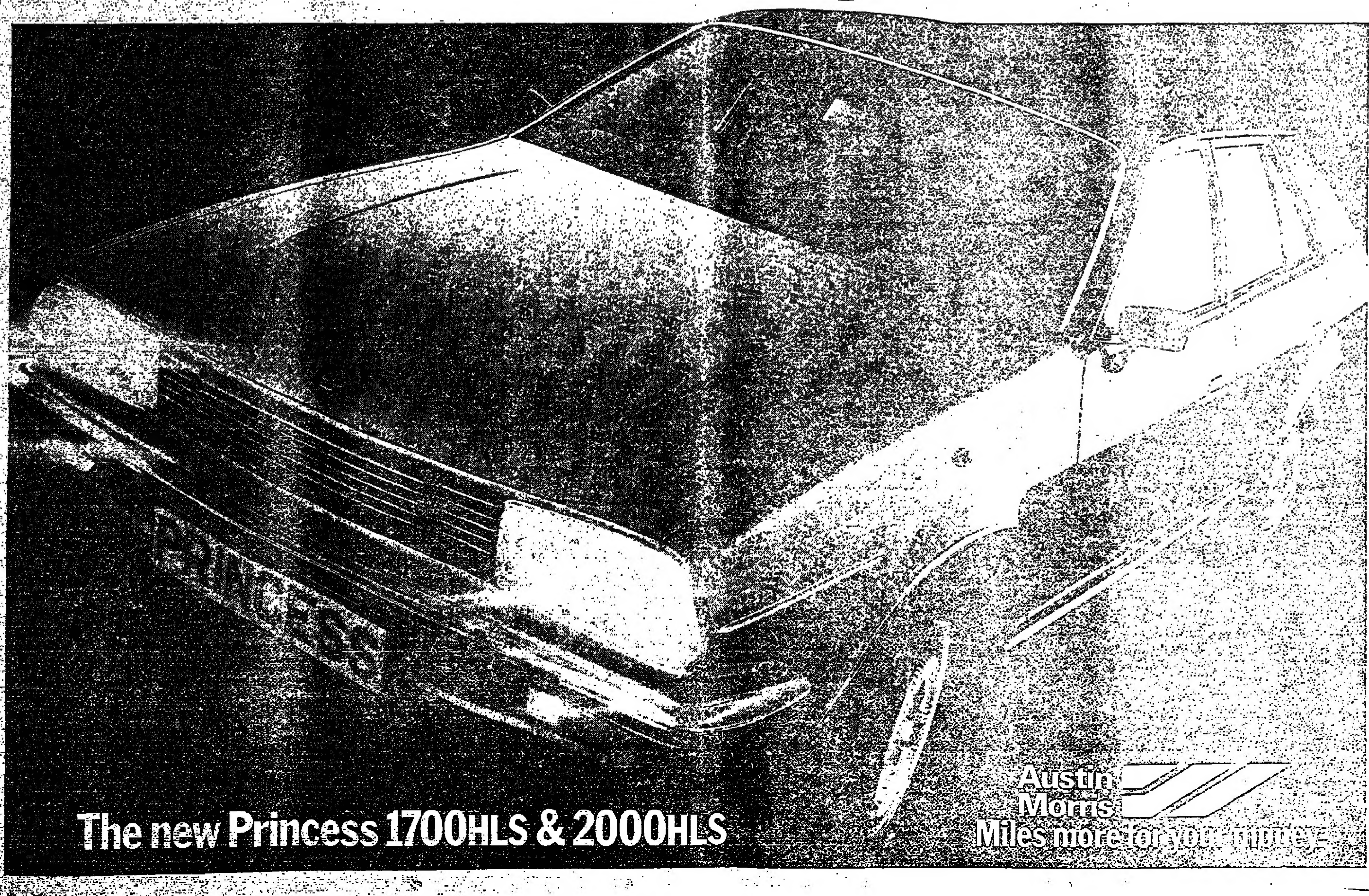


UK NEWS

Howe warns of risks in ending wage discipline

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, yesterday warned trade unionists and employers that any attempt to overthrow monetary discipline must result in "higher prices, more bankruptcies and rising unemployment."

In a speech to the Institute of Bankers in London, Sir Geoffrey strongly defended the Government's monetary policies.

He stressed the "clear and inescapable relationship between money supply and pay, and between both of these and other elements of economic success: production, profits, productivity and employment."

Sir Geoffrey's speech highlighted what is likely to become a consistent theme of ministerial statements over the next few months. This is essentially that while the economic outlook may be difficult it is not beyond remedy as long as everyone responded sensibly to the lead given by the Government in strictly controling the money supply.

He warned that while "a substantial rise in unemployment over the next year or two is possible, it is not inevitable from the start." It depended on the level of pay increases since inflationary settlements "simply cannot and will not be accommodated."

Sir Geoffrey emphasised that the Government was committed to "a progressive reduction" in targets for monetary growth.

"As we bring public expenditure more into line with our monetary objectives, I am confident that we shall be able to control the money supply without placing so much of the burden on the private sector, whether through taxes or interest rates."

He said it was tragic that the word "monetarist" should still be used almost as a term of political abuse.

A disciplined approach to money was not an alternative to some other method of economic management, nor an optional extra, nor a form of punishment—an economic big stick to be kept in reserve, Sir Geoffrey said. But proper management of the money supply was fundamental.

His comments come at a time when the Government is trying to persuade people, particularly pay bargainers, to take account of the beneficial effect of direct tax cuts and not just the unfavourable impact on retail prices of higher indirect taxes.

A decision is imminent on whether, and when, the Government produces an index showing the impact of all tax changes on take-home pay.

There is likely to be pressure for the publication of such an index alongside the retail price index. This is due on Friday week and will be affected by increases in value added tax.

The Treasury monthly Economic Progress Report yesterday included an article on inflation and real incomes. It maintained that the Budget switch from direct to indirect taxation would result in most households being better off over the rest of the financial year.

A married couple with gross pay of £100 a week should receive a rise in real net income of 1.8 per cent between the Budget and the end of the financial year, the article says.

It argues that "to the extent that wage bargainers are influenced by movements in take-home pay, the effects of the Budget measures should be to reduce the pressure for wage increases over the coming months."

High-speed train for export

BY LYNTON McLAIN

BRITISH RAIL has won its first export order for the 125 mph high-speed train, Mr. Norman Fowler, Transport Minister, said yesterday.

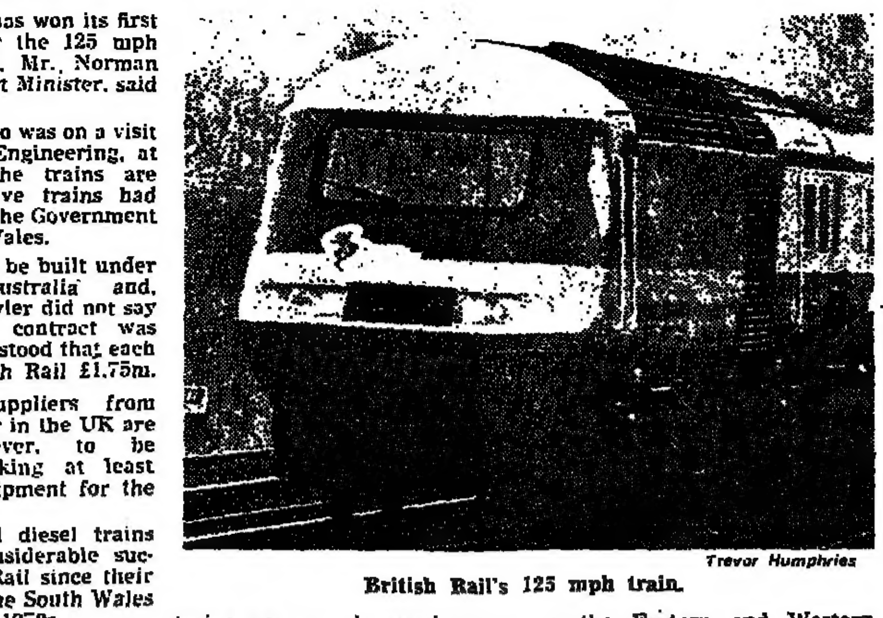
Mr. Fowler, who was on a visit to British Rail Engineering, at Derby, where the trains are designed, said five trains had been ordered by the Government of New South Wales.

The trains will be built under licence in Australia and, although Mr. Fowler did not say how much the contract was worth, it is understood that each train costs British Rail £1.75m.

Component suppliers from the private sector in the UK are expected, however, to be involved in making at least some of the equipment for the order.

The high-speed diesel trains have been a considerable success for British Rail since their introduction on the South Wales route in the mid-1970s.

British Rail said 60 high-speed trains are now in service, another 35 are on order for use on the Eastern and Western regions, and British Rail would like another 21 sets for use on expanding the high-speed eastern Region services and on the North-East to South-West services.



Trevor Humphries

British Rail's 125 mph train.

Last year, the volume of passengers using Inter-City increased by 6 per cent and British Rail believes that much of the success is a result of the introduction of the new trains.

Mr. Fowler was in Derby to see the 150 miles-an-hour prototype advanced passenger train. British Rail has spent £32m on the project and wants Government permission to spend another £150m to build the first 60 trains for use on the London to Scotland route up the west coast.

But Mr. Fowler would not commit his Department to giving the go-ahead. "All I can say at this stage is that I want to wait and see what proposition is put to us by British Rail," he said.

Chataway to head sales group for System X exchange

BY ELAINE WILLIAMS

MR. CHRISTOPHER CHATAWAY, a former Minister of Posts and Telecommunications, has been appointed chairman of British Telecommunications Systems.

BTS is the organisation set up in January to promote overseas sales of System X, the advanced electronic exchange equipment under development for the Post Office.

It is owned equally by the Post Office and its three contractors, Plessey, Standard Telephones and Cables, and General Electric Company.

Mr. Chataway joins Mr. John Sharpley, BTS managing director, as the only other full-time member of the board. The remaining eight executives on the board equally represent the four organisations.

But the appointment of Mr. Chataway, managing director of Orion Bank, should ensure no bias towards any of the manufacturers.

BTS will be aiming to gain between 15 and 20 per cent of the world telecommunications market which could be worth more than £100m a year.

The main markets for System X, which does not become available for export until 1982 or 1983, are likely to be Australia, New Zealand and the developing countries.

Once the system is fully operational, BTS will be responsible for accepting orders, but not for handling individual contracts. It will decide which of its three suppliers will act as main contractors for a particular job.

BTS will try to maintain the present split of business when it shares out overseas System X contracts.

Argument over how business should be shared and failure to agree on the form the marketing body should take delayed the original announcement about BTS in January.

The first major role for the new company will be to show the System X equipment at Telecom 79, the world telecommunications exhibition to be held in Geneva next month.

However, the Post Office has already placed contracts with GEC, Plessey and STC for installing eight System X exchanges into the UK network and further orders will be placed before the end of the year.

Electricity boards told of meter supply monopoly

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

AREA ELECTRICITY boards were urged by the Monopolies and Mergers Commission yesterday to reconsider their buying policies and ordering procedures for electricity supply metres.

The Commission has found that a monopoly involving two of the four main companies in the industry operated against the public interest in that prices were higher than necessary and competition reduced.

None of the other proven monopolies in the industry operated against the public interest, the commission concluded.

Electricity supply meters covered by the report are used for charging for the supply of electricity. They do not include meters for telecommunications service charges.

The report says that 1,154 meters were produced in 1977 by four main companies: Ferranti Instrumentation; GEC Measurements; Landis and Gyr; and Sangamo Weston. All have broadly equal shares of the UK market.

The monopoly that operated against the public interest involved meters supplied by GEC Measurements and Sangamo Weston. They supply a quarter of the UK's meters, and, the report says, "in 1977 and 1978 they increased their published prices, and hence the net prices charged, to an extent which amounted to so conducting their affairs as to restrict competition."

The commission recognised that the area boards' reluctance to resist manufacturers' prices was caused partly by fear of deterioration in quality, and partly by their ability to pass on increased costs to consumers.

It recommended that a price agreement between the four manufacturers, which since 1971 has led to their informing one another of price changes after customers have been informed, should be terminated.

The monopolies that existed but did not operate against the public interest were: in the UK market, a scale monopoly involving Landis and Gyr; and in the export market, a monopoly involving all four companies, as well as one involving GEC Measurements and Landis and Gyr.

Mr. John Nott, Trade Secretary, has accepted the commission's conclusions and intends to ask the Director General of Fair Trading to hold talks with companies concerned.

Electricity Supply Meters, Command 7639 (SO, £2.25).

U.S. airlines compete for London-Miami route

By Michael Donne, Aerospace Correspondent

A STRUGGLE is developing between two U.S. airlines for rights to fly the lucrative Miami-London air route.

The route is at present flown by National Airlines of the U.S., in competition with British Airways.

But National is in the middle of a take-over battle, in which Pan American World Airways is expected ultimately to acquire control of that airline.

In that situation, the Miami-London air route will become available for re-allocation, because the U.S. Civil Aeronautics Board has ruled that any merger of Pan Am with National would preclude the combined airline from flying that route.

Airlines which have expressed interest in Miami-London are Eastern Air Lines, whose own bid for National appears to have been defeated by Pan Am, and Braniff, another big U.S. operator, which would like to add Miami to its network as a link between London and South American cities.

Eastern has said that if awarded Miami-London, it would offer a discount fare service of $305 one-way, or 16 per cent below the present cheapest fare, with a peak-season economy fare of $352 single, a 19 per cent cut.

Braniff has not yet filed an application with the CAB for the route, but Mr. Harding Lawrence, Braniff's chairman, said in London recently that his airline would like to have the route once the Pan Am-National merger had been settled.

In the meantime, Braniff has asked the CAB to give it another new route, between Kansas City and London.

Exports boost for man-made fibres

BY RHYS DAVID, TEXTILES CORRESPONDENT

MAN-MADE FIBRE output made a modest recovery in the first half of the year due mainly to an increase in exports which represented nearly 50 per cent of production.

The industry's home market has been badly hit this year by a surge in imports of fibre and yarn from the U.S., where producers have benefited from lower energy feedstock costs.

UK output reached 309,160 tonnes in the first half of the year, compared with 306,210 tonnes in the corresponding period of last year. During the second half of 1978, output was 300,970 tonnes. The figures were compiled by the British Man-made Fibres Federation.

Prospects for the second-half are uncertain, because of the continued rise in U.S. exports. These have been directed mainly at the UK and Italy. In textured polyester yarn, U.S. exports to Britain are 21 times higher than in 1978. They are set to top 4,500 tonnes.

Imports of U.S. polyester filament are also expected to exceed 4,000 tonnes, a 31 per cent rise on last year.

The federation claimed that prices as well as markets had been hit by U.S. pressure.

A joint submission to the EEC Council of Ministers has been prepared by the European Association for Fibre Producers and its textile counterpart, Comitextil. The associations want action to prevent disruption of the European fibre market.

Clarksons collapse sequel

BY ARTHUR SANDLES

IN ONE of the last ripples of the 1974 Clarksons Tours collapse, the Air Travel Reserve Fund Agency and the Association of British Travel Agents have reached agreement with the liquidators of Clarksons over "pipeline money."

When Clarksons collapsed it was asked who owned the cash paid by customers to travel agents, but which had not yet been passed on to Clarksons, for holidays which were not in the event taken.

Eventually the money was paid to a third party, Thomson McLintock, while discussions continued. Clarksons customers caught up in the issue were compensated by the Air Travel Reserve Fund.

Under the agreement the liquidators will have received £866,300 and the reserve fund agency £276,796 part-compensation for what it has paid holidaymakers. The agency also expects further payments from the liquidator.

Liverpool Cathedral wins design award

BY COLIN AMERY

LIVERPOOL'S 75-year-old Gothic-style Anglican Cathedral, which was finally completed last year, is one of four winners of design awards from the Royal Institute of British Architects.

The cathedral's architecture was completed by Mr. Frederick Thomas, aged 80. He succeeded Sir Giles Gilbert Scott, who started work on the building in 1904. Mr. Thomas has continued to work with hand-carved stone and refused to adopt the metric system.

The corporate headquarters of the Wiggins Teape paper group Gateway House in Basingstoke won the RIBA southern region award.

This office building for 500 staff designed by Arup Associates, is arranged around a series of landscaped terraces. These gardens are now listed in the National Gardens Scheme.

The two other awards are for work on old buildings.

Winslade Manor, near Exeter, is the headquarters of the London and Manchester Assurance Company and architect Powell and Moya has built new offices between the 18th century manor house and the stable block.

The City's Museum of London, also designed by Powell and Moya in conjunction with the City architect and planning officer Mr. Edwin Chandler, is among 16 buildings given commendations.

The marine oil terminal for Shell UK Oil by the Architects Design Group is commended for successfully blending a new industrial complex into the natural beauty of the north coast of Anglesey.

Commenting on the 1979 awards, Mr. Bryan Jefferson, RIBA president, said that they represented the high standard of modern British architecture.

There were 100 fewer entries than last year because of the lower level of activity in the construction industry. In future years he hoped to see more entries from the private housing sector.

Sun power satellite is proposed

By David Fishlock, Science Editor

SOLAR ENERGY, harnessed continuously in space to beam electricity to earth, might be a long-term alternative to coal and nuclear power stations, according to a study commissioned by the Department of Industry from London aerospace consultants.

The study is part of the planning by the Department of Industry's space division of Britain's future role in space technology.

Britain's activities in space extend little further than its stake in the European Space Agency.

The study into a solar-power satellite was carried out by General Technology Systems with the Royal Aircraft Establishment, Farnborough, and the Atomic Energy Research Establishment, Harwell.

It found that no new technological principles need be invoked by such a system. However, the venture would pose legal, industrial, institutional and political questions that would need answers before any large-scale power supply could be harnessed in space.

At least nine Departments of Government might be involved: the Departments of Energy, Industry and Trade; the Home Office, because of the need to transmit power back to earth by microwave beam and to communicate constantly with the space station; the Department of Health, because of the medical and health aspects of a large new power source; the Ministries for Defence, Agriculture and the Environment; and the Foreign Office.

The study calculates that a fossil-fuelled power station would emit more than 10 times as much polluting chemicals over a 30-year lifespan than would come from the exhausts of rockets required to construct the space power station.

● Professor John Houghton, professor of atmospheric physics at the University of Oxford, is to take charge of Britain's space science programme from September 1. He then becomes director of the Appleton Laboratory of the Science Research Council.

Further reprieve for Fort William mill

BY RAY PERMAN, SCOTTISH CORRESPONDENT

WIGGINS TEAPE has put off for a further three months—effectively until next summer—the closure of its Fort William pulp mill to allow more time for negotiations on a possible replacement plant.

Mr. Patrick Best, chairman, said yesterday that the company will study the feasibility of building an additional paper making plant alongside the pulp mill and the present profitable fine paper mill.

The pulp mill, which employs about half of the 900 workforce, uses a chemical process which has proved to be expensive. Last year it lost £2.7m.

Finnish consultants Jaakko Pöry said the plant could be made viable by replacing the chemical process with a mechanical one and building a second paper plant at Fort William, possibly for newsprint.

This led to talks, still continuing, between Wiggins Teape, the Department of Industry and the Paper Making Groups, Bowater and Reed.

If it became necessary to close the mill at least six months' warning would be given and voluntary redundancy would be used where possible, Mr. Best said.

More UK citizens

By Elaine Williams

A 4 PER CENT rise in the number of people acquiring citizenship of the UK and its colonies is revealed in the Home Office's latest figures.

More than 28,000 became citizens in 1978, though nearly 4,000 were granted citizenship outside the UK. The total includes 6,000 from Pakistan, 3,500 from India, 3,000 from Jamaica, 1,500 from the rest of the West Indies, nearly 1,000 from Cyprus and about 800 from Bangladesh.

Most of those who acquired citizenship had lived in the country for more than five years. The total of 28,000 who were granted citizenship compares with about 70,000 people admitted to the UK each year.

Communications system orders worth £40m

By Our Defence Correspondent

ORDERS FOR communications equipment for UK naval vessels, worth about £40m, have been awarded by the Ministry of Defence to Marconi Communications Systems, Marconi Space and Defence Systems, and MEL Equipment Company.

The orders cover 20 further sets of what are known as "integrated communications systems," covering all the high-frequency communications required inside individual ships.

In addition to existing orders for this equipment for the navy, the system has been sold to the Royal Netherlands Navy and Nigeria.

Geoprosco Intl.

GEOPROSCO International has asked us to point out that its contract with the Abu Dhabi company for Onshore Oil Operations, reported in the Financial Times on August 2, is for oil well workover contracts and not the maintenance and repair of oil well rigs.

Shining a light on the social gap

Other Men's Jobs: Anthony Moreton switches on to the latter-day Davy lamp.

IT IS a long way from Robertstown in Aberdare to Harrods in Knightsbridge, not so much in the miles that separate the two as the social distance dividing industrial South Wales from an exclusive area of London.

But one company in Aberdare has bridged the gap. E. Thomas and Williams sells its products in the store that might justifiably be called the most exclusive in the world. Nothing particularly special in that, perhaps, except that E. Thomas and Williams makes miners' lamps.

Just why miners' lamps should sell in Harrods (as well as Libertys and New York stores) is a reflection of our times: the desire among the wealthy to seek out the unusual for their homes. Such coveted objects include pogo sticks, old chamber pots, vintage cars and stuffed birds in glass cases.

The type of lamp sold by E. Thomas and Williams is basically a piece of working equipment slightly adapted for the sideboard. The company still produces real lamps for collieries, made to stringent Department of Energy specifications.

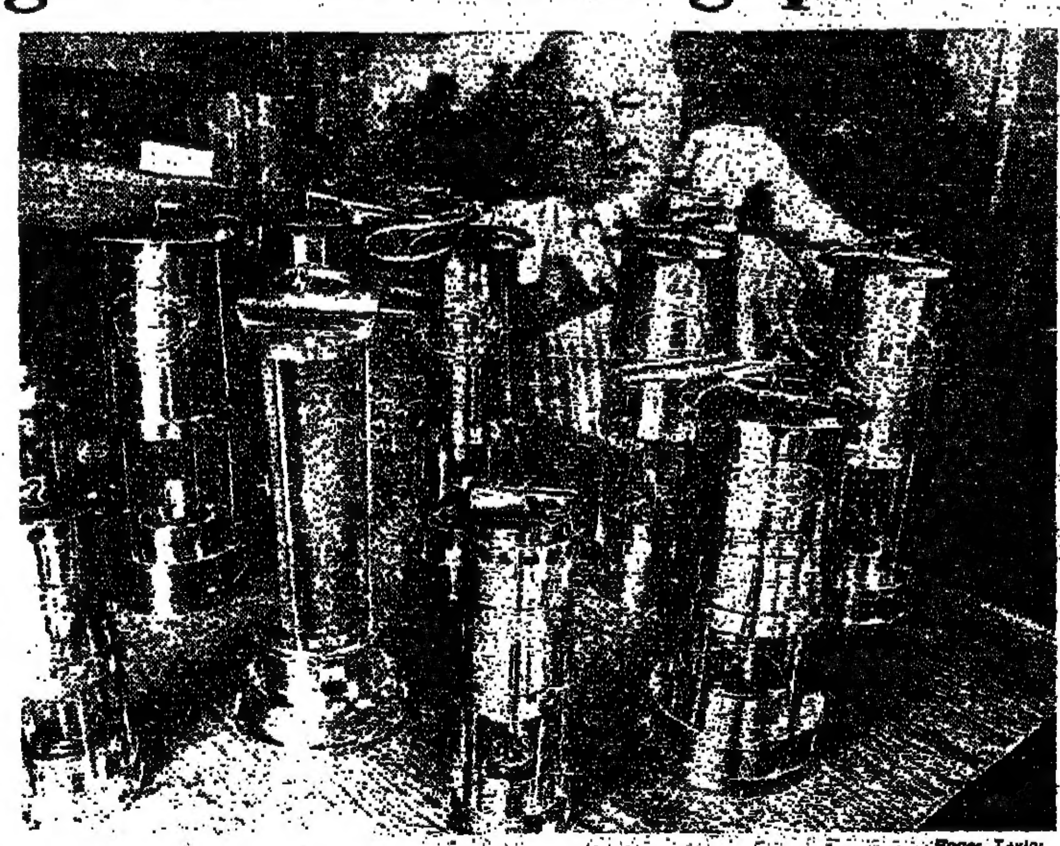
Strictly speaking, a miner's lamp is not a lamp at all, but a scientific safety device for detecting gas, principally methane. It is commonly called a Davy lamp, after the man who is credited with its invention, Sir Humphrey Davy. In fact, the lamp was the brainchild of Dr. William Reid Clanny, of Sunderland, who announced his invention to the Royal Society of Arts in London in 1813. He put it on trial in a Durham pit late in 1815. Davy took Clanny's invention a stage further, added a gauze cylinder and used oil for burning the wick. hTe first Davy lamp was tested on New Year's Day, 1816, at Hebburn Colliery.

Compared with Davy and Clanny, E. Thomas and Williams is a relative newcomer to the lamp business. Evan Thomas, an Aberdare ironmonger, first started producing lamps in 1860. A couple of years later he was joined by L. N. Williams, a High Constable and JP. There are no Thomases or Williamses in the company now. The men in the families died out and the daughters were not interested in the business.

About three years ago, John Donovan, an employee who had been with the company since leaving school in 1941, made an offer for it. He became chairman, chief executive, controlling shareholder (his wife owns the rest) and, in the way of many small concerns, friend and colleague of the 20-strong staff.

"I came as a lad and, as the older men went, one by one, I found myself taking on more and more responsibility. Three years ago, I took it all on," he says. "This is the sort of firm where no one really retires. People leave, but next week they are back, doing a little work. It's just like 'old soldiers'."

Mr. Donovan's start in life was not favourable. Born Walter Randall Donovan, he had a leg deformity and spent his first few months in hospital. "The matron told my mother and father that Walter Randall was no name for a boy and that she would call be John. From that day I've been John to everyone, including my mother and father."



Roger Taylor

Manufacturing miners' lamps at the Cambrian Lampworks, Robertstown, Aberdare.

As a boy he had his legs in calipers. In 1946, when he was 20, he decided to have his leg amputated. "It was the best thing I ever did," he says, disclaiming bravery.

The strength which enabled him to take such a difficult personal decision has also helped him through work crises. Only one lamp in every four now finds its way into colliery lamp rooms, and the coal industry has been steadily contracting. One or two ventures into diversification were anything but successful.

His biggest challange came shortly after he took over the business. One night in January, 1978, he received a call from the police to say that the foundry, which had been the company's base for 99 years, was on fire. A break-in had taken place and the foundry was burned down. Almost all the stock was lost.

Within seven weeks E. Thomas and Williams was producing again in new premises. "Everything was destroyed. I found a new place within a week, but I could not have got under way again had I not had such a marvellous staff. They really were tremendous. Production that year actually went up." Turnover is now approaching £300,000 a year.

The lamps destined for the sideboard or mantlepiece sell well in America, Germany, Denmark and Belgium, as well as in this country. But Mr. Donovan would like to find another good seller for the shops. He is toying with a Greek water clock, a timing apparatus which hangs on a wall. It ticks off the hours through the regulated flow of water out of a brass cylinder into an earthenware jug. The daunting problem is the high cost of the clocks. Those produced in an experimental batch sell for £75 each, which will have to be considerably reduced for the project to succeed. If this can be achieved, E. Thomas and Williams could close the gap even further between Aberdare and Harrodsland.

Next Tuesday: inn signs

July lull in new car sales

BY LISA WOOD

NEW CAR sales in the UK last month were the lowest for any July for at least 10 years at 52,252, according to figures published yesterday by the Society of Motor Manufacturers and Traders.

This lull in sales comes after record registrations in the previous six months at 1,031,330. However, July figures themselves offer no guide to market trends as, each year, increasing numbers of motorists delay the registration of cars bought in July until August 1 in order to benefit from the new registration suffix letter.

This year more than 20,000 new cars were ready to go on the road on August 1, compared with about 18,000 last year.

Importers' market penetration dropped to 52.07 per cent in July, compared with the average 55 per cent for the seven months ending last month, but it was up on the 47 per cent share in July, 1978.

In July this year "captive" imports by UK manufacturers were about 17 per cent, but Ford's imports of cars is slowly dropping as it regains full production in the UK.

Ford also increased its market share in the month. At 33 per cent, however, it is still below last July's record 35 per cent penetration.

BL's market share dropped to 16.86 per cent. Last year in July it achieved a 21 per cent share and in the seven-month period to the end of July, it took 20 per cent of the market.

The company said yesterday that its sales dropped in July because many of its customers, being private buyers, were waiting for the August suffix number. In contrast, many of Ford's customers, being fleet buyers, took advantage of the company's discount on Cortinas last month.

Among the traditional importers, Fiat led the way in July. But, over the seven months, Renault of France, whose sales in the period were 5.43 per cent, has overtaken Datsun. The latter, suffering with the other importers of Japanese cars from supply problems, had 5.34 per cent of sales.

At the same time last year, Renault had 4.20 per cent and Datsun 6.41 per cent. Sales of Japanese cars accounted for 9.09 per cent of July sales compared with 7.83 per cent in July, 1978.

The top 10 cars in July were: 1. Ford Cortina (8,425); 2. Ford Escort (4,963); 3. Austin Morris Mini (2,178); 4. Morris Marina (2,113); Vauxhall Cavalier (1,711); 6. Ford Fiesta (1,495); 7. Austin Allegro (1,415); 8. Vauxhall Chevette (1,336); 9. Ford Granada (1,237) and Chrysler/Talbot Avenger (1,188).

● Exports of motor vehicles and components exceeded imports for the first time this year in June, but the motor industry is still running a £200m trade deficit for the first six months.

Exports for the first six months were £2.049bn, 2 per cent down on January-June last year.

Imports were 40 per cent up at £2.24bn, creating a £200m deficit against last year5s £483m surplus in the first six months. In 1977, the surplus was £1.33bn, while for last year as a whole, it was £776m.

The most dramatic change has been in the field of cars where exports are down 12 per cent on last year while imports are up 53 per cent.

The Society of Motor Manufacturers and Traders said yesterday that, for the first time this year, the balance was positive in June.

UK CAR REGISTRATIONS

	July				Seven months ended July			
	1979	%	1978	%	1979	%	1978	%
Total UK produced	25,043	47.93	34,601	54.77	484,648	44.73	494,804	53.08
Total imported†	27,209	52.07	28,579	45.23	598,934	55.27	437,331	46.92
Total market	52,252	100	63,180	100	1,083,582	100	932,135	100
Ford*	17,300	33.12	22,265	35.24	310,542	28.66	261,383	28.04
BL—Austin Morris	7,279		10,434		176,089		163,588	
Jaguar Rover Triumph	1,530		3,093		44,270		47,148	
Total BL	8,809	16.86	13,527	21.41	220,359	20.34	210,736	22.61
PSA—Chrysler*	4,329	8.29	4,006	6.34	81,350	7.51	62,721	6.73
Citroen	1,056	2.02	1,589	2.52	20,419	1.88	17,474	1.87
Peugeot	1,153	2.21	1,319	2.09	24,023	2.22	15,446	1.66
Total PSA	6,538	12.52	6,914	10.95	125,792	11.61	95,641	10.26
General Motors—								
Vauxhall*	3,574		4,047		71,973		79,808	
Opel	800		702		17,252		11,222	
Other GM	71		112		719		524	
Total GM	4,445	8.51	4,861	7.69	89,944	8.30	91,554	9.82
Datsun	2,404	4.60	2,743	4.34	57,916	5.34	59,736	6.41
Renault	2,159	4.13	2,763	4.37	58,800	5.43	39,117	4.20
Fiat	2,528	4.84	2,274	3.60	44,903	4.14	39,572	4.25
VW/Audi	1,855	3.55	1,745	2.76	45,279	4.18	34,292	3.68

* Includes cars from companies' Continental associates which are not included in the total UK figures
† Includes imports from all sources, including cars from Continental associates of UK companies

Source: Society of Motor Manufacturers and Traders

Statistics delayed by disputes

By Our Economics Staff

PUBLICATION OF the July trade figures has been postponed from next Tuesday until August 20, because of the Civil Service industrial action.

The disputes have affected the flow of information about imports arriving at Heathrow and Gatwick. Statistics published so far this year have been distorted by the carry-over of trade from one month to the next. A footnote estimating the aggregate impact has been included with the monthly press notice.

Department of Trade statisticians are adjusting both the July figures and earlier ones. The Department hopes the figures will provide the best possible estimates of the monthly movements in total trade.

"This represents the first step towards re-commencing publication of comprehensive trade statistics which measure the flow of goods through the ports."

It is not yet possible to allow in detail for the understatement —amounting to about £900m— of imports received in the first half of this year. The July press notice will contain monthly figures of total exports and imports adjusted as far as possible for distortions.

British Steel's prices to rise

BY JOHN LLOYD

THE BRITISH Steel Corporation will raise prices on most of its major products from early next month.

This follows rises of between 5 and 6 per cent in prices charged by independent steel producers, which take effect next week. It is not known if British Steel's rises will be of the same level, but they are expected to be close.

The coming price rises are fuelling concern among the big steel consumers, who have already shown signs of rebelling against paying the independent producers' increases.

There are now wide differences between British Steel list prices and those of continental producers, especially in the merchant bar, rebar, heavy section and rod grades.

These differentials are reportedly hardening the resolve of a number of big steel users to shop around, especially in Europe, for some grades of steel.

However, the British Independent Steel Producers' Association said it expected the EEC guidance prices to rise soon, and that these increases would bring continental prices more in line with those in the UK.

The rise in sterling is having the twin effect of making the UK market more attractive to foreign producers, and of squeezing the profit margins of those big steel users who are also major exporters.

At the same time, BL, which takes about 40 per cent of British Steel's output of sheet steel, said last night that its plans to continue to buy British, in steel as in components, remained unchanged.

The company believes it must safeguard its long-term relationship with its domestic suppliers, rather than buy in markets which may be only temporarily more attractive.

● The corporation's pilot production plant for making substitute coke, established in Scunthorpe in 1973, is to close. It has cost British Steel £18m.

The decision to close the plant was taken once it became clear that the plant, which costs £250,000 a month to run, would not become profitable for at least a year. Some 150 workers at the plant will be taken on at British Steel's Scunthorpe division.

The plant, which used a German-developed process to produce high-quality substitute coke from low quality coals, was developed when British Steel produced about 24m tonnes of steel a year. That figure has fallen to 18m tonnes a year, and the need for the plant has disappeared.

Sales of cigarettes 'fall 5%'

By David Churchill

CIGARETTE SALES may have fallen by as much as 5 per cent as a result of the price increase of 6p for 20 cigarettes arising out of the rise in value-added tax.

W. D. and H. O. Wills, the Imperial Tobacco subsidiary, said yesterday that its preliminary estimates showed an overall market fall of about 5 per cent.

Other trade sources suggest that it is too soon after the Budget to make firm estimates. Retailers and consumers traditionally stock up before a Budget, and any fall in sales may reflect only that.

Gallaher observed that its supplies had been affected by an industrial dispute at its Northern Ireland factory, which disrupted production.

Figures yesterday from the Office of Population Censuses and Surveys suggest that the overall trend of falling cigarette consumption in the mid-1970s appeared to have slowed last year.

The figures also show that the decline in cigarette smoking has been more marked among men than women. In 1972 52 per cent of men smoked; last year it was 45 per cent. The drop among women smokers was from 41 per cent to 37 per cent.

There was also an increase among men who said that they never, or only occasionally smoked.

Crown Agents audit shortlist

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

COOPERS AND LYBRAND and two other large international accounting firms have been shortlisted for the audit of the Crown Agents.

Sources in the accounting profession were agreed yesterday that the short list runs to no more than four firms: Coopers and Lybrand, Deloitte Haskins and Sells, Touche Ross and Price Waterhouse.

However, indications from the Crown Agents are that the final list will contain only three names.

About 14 large and medium-sized accounting firms were invited to submit initial tenders for the Agents' audit. Firms which submitted tenders but have not been shortlisted include Peat Marwick Mitchell, Ernst and Whinney, Thomson McLintock, Arthur Young McClelland Moores, and Arthur Andersen.

Up to now the Crown Agents has been audited by the Government audit body, the Exchequer and Audit Department. The change in the audit arrangements arises from the provisions of the 1979 Crown Agents Act, under which the Crown Agents is established as a public corporation. The Act requires that the on-going business of the Agents should be audited by a private sector accounting firm while the "Realisation Account"—the fringe property and banking activities which are gradually being wound up—will continue to be audited by the Exchequer and Audit Department.

Treasury looks to sharp rise in N. Sea oil benefit

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE CONTRIBUTION of North Sea oil and gas to the current account of the balance of payments should jump sharply this year, according to new Treasury estimates published yesterday.

The current account benefit this year is estimated at £7.2bn compared with £3.9bn in 1978 (with both figures in 1978 prices). This year's expected contribution is equivalent to about 13 per cent of last year's total exports.

The figures are included in the August issue of the Treasury's economic progress report and update estimates published last October.

The report also highlights the expected rise in Government revenue and the sector's contribution to Gross National Product.

The output assumptions are close to the centre of the ranges set out recently in the Department of Energy's Brown Book. It is assumed that real oil prices remain at their present level in sterling terms until the end of this year.

In 1980, when the oil market is expected to return to "a more normal state," it is assumed that the sterling price of North Sea output declines somewhat in real terms, although it may change little in nominal terms. This is because the premium that upper tier crude oils, including North Sea oil, have recently commanded, is expected to fall. From 1981-85, the sterling price is assumed to be constant in real terms at the price in the fourth quarter of 1980.

The large increase in the contribution to the current account this year compared with 1978 is both because of a rise in production and as a result of the sharp increase in the real price.

There has also been a marked upward revision of the estimates for 1979-80 compared with last October. After adjusting for the change in the price basis from 1977 to 1978 prices, this is an increase of about 12 per cent.

Thus it was expected last October that the net current account contribution would be just over £5bn this year and £6.4bn next year (both adjusted to 1978 prices).

The latest projections are £7.2bn and £6.8bn respectively. The slight fall in the net contribution next year is because the real sterling oil price and the gas oil price are assumed to fall back, but these effects are largely offset by rising oil production.

A 10 per cent variation either way in real sterling oil price would alter the contribution to the current balance by roughly £600m in 1985, at 1978 prices.

The net impact on the capital account is positive in the early years, while large funds are needed to develop existing fields, but by 1985 there should be a small outflow on capital account.

The North Sea sector is expected to contribute much more this year to the balance of payments than to national income. This is because gas production is valued in the national income estimates at contract prices actually paid, about £450m in 1978.

The contribution of the North Sea sector (its net value added) has risen from £1.8bn in 1977 (1¼ per cent of Gross National Product) to £2.2bn last year (1½ per cent of GNP), all at 1978 prices. The impact this year is estimated at £3.8bn (probably a little over 2 per cent of GNP) and by 1985 it may reach £6bn. This would amount to 3¾ per cent of 1978 national income before taking account of any other increase in output in the rest of the economy.

The GNP estimates up to 1980 are broadly similar to those made last year after allowing for the different price basis. While estimates of production are less than before, the real sterling price is higher than previously assumed.

Interest, profits and dividends due abroad are less than previously estimated in the next couple of years, but nearly £1bn higher in real terms in 1985 than estimated previously. This reflects a change in the assumed treatment by companies of petroleum revenue tax.

Consequently, the contribution of the sector to national income in 1985 is somewhat lower than last year's estimate. If the real sterling oil price were 10 per cent lower (or higher) by 1985 than assumed, the estimated income would be reduced (or increased) by £500m.

Government revenue from royalties, petroleum revenue tax and corporation tax from the North Sea sector up to the end of last month was £1.19bn, of which £266m has been so far in the present financial year.

Receipts are expected to rise from £521m in 1978-79 to £1.39bn in 1979-80, of which some £110m will result from the tax changes in the Budget.

Economic Progress Report, No. 112, August 1979.

NORTH SEA OIL AND GAS

BALANCE OF PAYMENTS CONTRIBUTION

£bn at 1978 prices

	1977	1978	1979	1980	1985
Oil and gas production (equivalent import values)	4.8	5.2	9.1	8.8	11.2
Net imports of goods and services, less some exports	1.4	0.7	0.7	0.6	0.5
Interest, profits and dividends due overseas	0.5	0.6	1.1	1.4	1.8
Net contribution to current account	2.9	3.9	7.2	6.8	8.9
Net effect on capital account	+1.4	+0.7	+1.0	+0.5	−0.2
Net identified effect on balance for official financing	4.3	4.6	8.2	7.3	8.7

INCOME FROM OIL AND GAS PRODUCTION

£bn at 1978 prices

	1977	1978	1979	1980	1985
Value of oil and gas production	2.8	3.3	5.5	6.6	8.6
Goods and services bought outside the sector*	0.5	0.5	0.6	0.6	0.8
Value-added by North Sea sector	2.3	2.8	4.9	5.9	7.8
Total royalties plus pre-tax profits	2.2	2.7	4.8	5.8	7.6
Employment income	0.1	0.1	0.1	0.1	0.2
Interest, profits and dividends due abroad	0.5	0.6	1.1	1.4	1.8
Gross National Product at market prices within North Sea sector	1.8	2.2	3.8	4.5	6.0

* Defined as operating costs minus employment incomes.

Source: Treasury

Fulton Packshaw Limited

are actively seeking a person, probably with City experience, to represent the Company at a Senior level to our Institutional and Local Authority Clients. This important appointment is not primarily a dealing role and, therefore, applicants should have a wider experience of management and marketing applicable to *money-broking*.

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Please write in strict confidence to: The Managing Director, Fulton Packshaw Limited, 34/40 Ludgate Hill, London EC4M 7JT, giving full details of career to date.

FULTON PACKSHAW LTD

Fulton Packshaw Ltd is the sterling broking subsidiary of Charles Fulton & Co. Ltd, one of the largest firms of international money market brokers.

UNIVERSITY OF HONG KONG

ADMINISTRATIVE ASSISTANT/ ASSISTANT SECRETARY (FINANCE)

Applications for a post of Administrative Assistant or Assistant Secretary (Finance) in the Finance Office are invited from suitably qualified persons who are members of a recognised accountancy or equivalent body or who possess a university degree in an appropriate field.

Annual salaries (superannuable) are

Administrative Assistant
HK$46,260 x 4,320—63,540 x 4,280—72,560

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HK$76,320 x 4,260—106,140
(£1 = HK$11.70 approx.)

Starting salary will depend on qualifications and experience.

At current rates, salaries tax will not exceed 15% of gross income. Housing at a rental of 7½% of salary, education allowances, long leave and medical benefits are provided.

Further particulars and application forms may be obtained from the Association of Commonwealth Universities (Appts.), 36, Gordon Square, London WC1H 0PF, or the Assistant Secretary (Recruitment), University of Hong Kong, Hong Kong.

Closing date for applications is 30th September, 1979.

Financial Controller

circa £20,000+car

Carrington Viyella Ltd. one of the largest textile companies in Europe, wishes to appoint a Financial Controller who will report to the Financial Director and be located at the group's head office in London. The group which has an annual turnover in excess of £300M is engaged in the weaving, knitting, finishing and marketing of textiles and in the manufacture and marketing of garments together with yarn spinning and processing. There are substantial overseas group subsidiaries with combined sales in excess of £50M pa.

The appointment is part of a programme aimed at supplementing the group's existing financial and accounting expertise at senior management level and to anticipate future succession needs. It is therefore important that the appointee is of sufficient calibre to justify promotion to board level within a period of 2-3 years.

The successful candidate will be a qualified accountant, strongly business orientated, with a well developed flair for management and organisation. A proven record of achievement in senior financial management together with experience of supervising accounting staff and practical experience of EDP are essential requirements. Age is not a critical factor although it is unlikely that candidates aged less than 32 will offer sufficient maturity to discharge the responsibilities envisaged. As the scope of the group's finance function is exceedingly wide, applications from candidates with experience in company acquisitions, foreign exchange dealing and negotiating external finance would be particularly well directed.

The commencing remuneration will be negotiated at around £20,000 pa plus a car and the company would contribute to the cost of removal expenses if the successful applicant had to move home to take up the appointment.

Candidates, male or female, can make application by quoting reference MCS/2070 and requesting a personal history form from Ashley S Phoenix, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

Corporate Internal Auditor

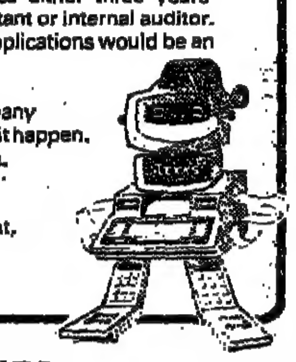
around £9000

Texas Instruments is a leading U.S. international electronic instrument and components *manufacturer covering a diverse range of applications from consumer durables to seismic* exploration – with interests in 14 European countries as well as The Middle East and North Africa.

We seek an *Internal Auditor to perform financial and operational audits in the U.K. and* Europe. Key responsibilities will be to audit records, systems, procedures and controls to ensure compliance with good financial practice and company policies. As a Senior Auditor, the successful candidate will be communicating findings and recommendations to top *management and must have excellent oral and written communication skills. The position* is based in the U.K., although the successful candidate will spend about 15% of his/her time travelling in the U.K. and Europe.

Candidates, *qualified professionally or by degree, must possess either three years' experience in public auditing or five years in industry as an accountant or internal auditor.* Experience with a U.S. multi-national company and/or computer applications would be an advantage.

This appointment has arisen through internal promotion. The company encourages career growth and has the scope and resources to make it happen. Salary will be negotiated around £9000 to attract the right candidate. Generous fringe benefits apply.



Please write, with full details, to Ann Stevens, Personnel Department, Texas Instruments Limited, Manton Lane, Bedford, or telephone Bedford (0234) 67466, ext. 3442, for an application form.

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Applicants, preferably in their 30's, should have:

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Applicants, male or female, should send full details of experience and qualifications, quoting ref. 1358KS/FT to:

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The salary, which is negotiable, will be made attractive to the right person and there is an excellent fringe benefit programme.

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The commencing salary will depend on previous experience but will not be less than £7,500.

The remuneration package includes a non-contributory pension scheme and mortgage facilities.

Application forms may be obtained from the Group Personnel Manager, Eagle Star Group, P.O. Box 33, Cheltenham, GL53 7LQ.

Eagle Star Insurance Group

Economic Policy Department

Deputy Head

The Confederation of British Industry has a vacancy in its Economic Directorate for a well qualified and able economist to become Deputy Head of the Economic Policy *Department. This is a responsible senior post in a team whose role is to promote and* represent the interests of British business, both to Government in the UK and to European Community institutions.

The successful candidate will have a good honours degree in economics including *monetary economics, a few years further study* and/or relevant work experience and the ability to communicate clearly and concisely both orally and in writing.

Salary will be competitive and, depending on age and experience, is likely to be up to *£9,000 per annum or possibly more for an* exceptionally qualified candidate.

Further information about the post and application forms can be obtained from Miss Sue Bridgett, Personnel Division, 21 Tothill Street, London SW1H 9LP (01-930 6711) to whom completed forms should be returned.

Second Economist

A vacancy is also expected to arise in October, for somebody with good academic qualifications and ideally some years' experience in *economic modelling, to help develop and apply* the CBI and other methods of the economy to problems of forecasting and analysis of policy alternatives. For information about this post, telephone Doug McWilliams on 01-930 6711 extension 319. Closing date for applications 31 August 1979.

The Confederation of British Industry
Britain's Business Voice

Chief Accountant

Major agro-industrial project — Papua New Guinea

c. £12,750 (after tax) + car

Our client, Booker Agriculture International Limited, a Booker McConnell company, *specialises in the provision of management,* consultancy, and technical services throughout the world. The Company is about to implement in Papua New Guinea a twin enterprise project embracing *sugar production and manufacture,* and cattle ranching. The senior management team is now being assembled which will plan and develop the organisational infrastructure for this £multi-million project.

As a key member of the management team, the Chief Accountant will control the installation and implementation of all financial and management accounting systems and the *integration of these within the context of a fast* developing capital project. Candidates, aged 30–, should be qualified accountants who have already gained some overseas *experience.* First-hand experience of dealing with major contracts would be an advantage.

Salary for this career post with BAI will be around £12,750 (after local tax) and is *accompanied by a car,* free family accommodation, return air fares, education allowance, and a range of other benefits. Length of tour is 18 months, followed by 2 months home leave. Mid-tour local leave is 3 weeks. It is envisaged that two or more tours of duty will be undertaken on the project, followed by an appointment elsewhere overseas or in the UK. Subsequent career opportunities with the company are excellent.

Ref: AA85/7002/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

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International investment bank extends this unusual opportunity for a young person to develop his/her knowledge of multi-currency securities.

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The opportunity exists for a graduate qualified accountant or graduate with a post graduate business qualification and industrial experience to join a small highly skilled team with significant responsibilities. *The environment is sophisticated and* job activity embraces most aspects of the company's day to day controls and longer term planning.

Ref: A8777/FT.

REPLIES will be forwarded, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

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ALPS
ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3576 Telex 887374

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EXPANDING INSURANCE COMPANY WITH ASSETS OVER £60 MILLION — SUBSIDIARY OF AN INTERNATIONAL BILLION DOLLAR GROUP

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ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

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School of Mathematics, Statistics & Computing

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Circa £9500 + bonus and car

Avis Management Services Ltd., is the head office of the Europe, Africa & Middle East Division of Avis Rent A Car and is situated in Bracknell, Berkshire.

The Treasury Department is primarily responsible for the funding and financial management of country operations within the Division, including cash and asset management and international money movements. Due to promotion, we now wish to fill the appointment of Assistant Treasurer, who will be involved in detailed country negotiations to ensure that funding requirements are met within corporate guidelines. In addition the person appointed will be expected to participate in special studies and projects, such as acquisition analysis, exchange control investigations and policy reviews.

Candidates should have a professional accounting or banking qualification together with several years' managerial experience, preferably within an international company or bank. A working knowledge of money markets and a general understanding of corporate finance, together with original thinking and the ability to accept responsibility are necessary for this appointment. A European background and languages would be useful but not essential.

The remuneration package includes an incentive bonus scheme and other benefits include a company car, non-contributory pension scheme and free BUPA. Relocation expenses may be payable for the successful candidate and rented housing may also be available.

For an application form please write to or telephone Hilary Richfield, Personnel Manager—A.M.S., Avis Management Services Ltd., Avis House, Station Road, Bracknell, Berkshire. Bracknell 26644.

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Management Services

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London

Our client, a £100m British Group, has decided to recruit a senior staff executive to concentrate on profit *improvement, who will be responsible to a main Board* Executive Director. The person appointed will frequently visit the manufacturing plants to help subsidiary company management identify opportunities to improve operating effectiveness in areas as wide as manufacturing engineering, production control, management systems, product design, value engineering, marketing, pricing, licencing and patents.

Clearly the experience sought covers the whole spectrum of management — *but even more important are* the personal qualities needed to gain the confidence of hard-pressed senior people and the *practical abilities* to convert decisions into action. Someone is needed who is *at home — and welcome — in the engine room and on the bridge.*

After a period of two or three years it is expected that this executive will be offered a senior line position in one of the subsidiary companies. The career prospects indicate someone under 40. Please send full details, including salary, to Peter Raynes, quoting reference 0741, or if you would prefer to complete a form, telephone Guildford (0483) 67781 (24 hour service).

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The White House, 8 High Street, Guildford, Surrey, GU2 5AJ

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of Yorkshire and Lincoln

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The TSB of Yorkshire and Lincoln part of a leading U.K. banking group has 161 branches and employs around 1300 people.

A new position of Commercial Lending Manager has been created in anticipation of the considerable scope for future developments in this area.

Reporting directly to the Advances Controller, the successful applicant will be responsible for the formulation, promotion and control of commercial lending services shortly to be introduced and, when necessary, will assist in the writing of training manuals describing the type of facilities to be made available, the security documents to be used and the control procedures to be followed.

Applicants should have a sound knowledge of commercial lending and small business finance, and should be able to demonstrate wide experience of the assessment of lending propositions. The ability to organise and to communicate *at all levels* is essential. A related professional qualification would be an advantage.

It is unlikely that candidates under the age of 30 will possess the necessary experience for this position.

The commencing salary will be commensurate with experience and qualifications and will be in the range of £7853- £10383. Benefits include house purchase subsidy and non-contributory pension scheme.

Applications should be supported by the names and addresses of two referees and marked 'Private & Confidential' giving full details of age, experience and qualifications and should be addressed to:-

The General Manager,
Trustee Savings Bank of Yorkshire & Lincoln
Head Office (Administration)
308 Tadcaster Road
York YO2 2HF

Closing date of Applications 31st August 1979

TSB

FINANCIAL CONTROLLER

c. £15,000 **W. Yorks**

A prominent and technologically advanced textile company, part of an international group, with a turnover exceeding £80 millions wishes to strengthen its top management *team by making this new key appointment.*

The Financial Controller will report directly to the *Managing Director* and have sole responsibility for developing, refining and running the management accounting function in its widest sense. All treasury, secretarial and financial accounting will be a group function. However, regular liaison will be necessary. Success in this role will bring early prospects of a Board promotion.

The ideal candidate would be a qualified A.C.A. or A.C.M.A., aged not less than 33, must be a good communicator who wishes to contribute to a vigorous management team in a Yorkshire environment where plain speaking is an asset.

Experience in a sizeable modern process industry is most desirable and applicants must have successfully set up and run management accounting procedures preferably with computers. Salary will be negotiable around £15,000 and benefits include a Granada 2.3, non-contributory pension plus W.P.A. and life cover. Re-location help available.

Replies, quoting ref. S181/FT, accompanied by CV will be forwarded unopened to the Management Consultants advising on this appointment. JWT Recruitment Ltd., 40 Berkeley Square, London W1X 6AD.

Financial Controller

c. £11,000 + Car **West London**

Olympic Holidays Ltd., requires a qualified accountant to control the company's financial and cost accounting, and to advise on all matters relating to corporate financial planning. The object of this appointment is to further develop the substantial growth this privately owned company is experiencing as the market leader in Greece, with a turnover of £10m.

The successful applicant will probably be aged 30-40, ideally have knowledge of computer techniques, but certainly have experience of financial planning, budgeting and management information systems. All the company's accounting work is carried out in-house under the management of a Chief Accountant.

The remuneration package includes a salary of c. £11,000, company car, BUPA benefits, general travel concessions and a performance related bonus.

The Financial Controller is a senior management appointment reporting to the Managing Director, with the opportunity of board status.

Send full details to the Managing Director.

OLYMPIC HOLIDAYS

24/28 Queensway, London W2 3RX. Tel: 01-727 8050. ABTA/ATOL. 341B.

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on August 7, 1979

Job Title	Salary	Location	Advertiser
Financial Controller	£9,000 + car	C. London	Robert Half
Treasury Administrator	£9,000	Berks.	Robert Half
Arabic Speaker	Neg.	Rural East Midlands	Robert Half
Line Management Financial Analyst	£8,500	North Surrey	Robert Half
	£7,500	Sussex/Surrey Borders	Robert Half
Assistant Accountant	£8,837·46	London SE1	National Dock Labour Board
Partnership Accountant	£8,000 + benefits	London WC2	Weatheral Green and Smith
Financial Controller	—	—	Box No. A.6858
Internal Auditor Accountants	$19,500	Bermuda	IPS Group
Treasury Assistants	£8,200	London SW1	Blue Circle Industries Ltd.
Financial Controller	£8,000	Uxbridge	Box No. A.6867
Accountant	£8,000 + car	Middlesex	Bobos U.K. Ltd.
Accountants	Various	Various	Lansdown Appointments
Internal Auditors	—	Brighton	American Express

For the full text of these advertisements please see the F.T. of that date or telephone Sally Stanley on 01-248 5597.

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Rapidly expanding International Bank in City seeks to appoint an ambitious and competent qualified Accountant to this important position.

The job involves supervision of five staff, preparation of monthly and year-end accounts, liaison with outside auditors and the production and completion of final accounts.

The successful candidate will have at least three years' previous International Banking experience and will possess personal qualities of drive and ambition.

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In the first instance, please contact Brian Durham.

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City to £14,000

For the autonomous subsidiary of a leading US insurance company.

Reporting to the chief executive and general manager, the successful candidate will be responsible for the financial function of this well established operation.

Candidates, preferably 35-45, must be chartered accountants, with proven experience at a senior level in the insurance industry, and a knowledge of all appropriate regulatory procedures. EDP experience is required.

There is an attractive benefit package.

For an application form, write in confidence showing how you meet the specification and quoting reference 3034/L, to J. H. Cobb, Peat, Marwick, Mitchell & Co., Executive Selection Division,

165 Queen Victoria Street,
Blackfriars,
London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.

Management Accountant

£9,000-£10,000+car

This fast expanding private group of companies, with a £20m turnover, urgently requires a CA or ACCA (30/40 years) to develop reporting systems and controls providing information to meet the needs of management.

Applicants living in or near London *must have experience of computerised accounting systems, preferably gained within the construction industry, and be able to communicate at all levels.*

This callenging growth position will appeal to those with enthusiasm and ambition which will be rewarded by excellent career benefits.

Please write with career details in confidence to Box A.6864, Financial Times, 10 Cannon Street, EC4P 4BY

Marshalls

have several vacancies for experienced brokers in their Foreign Exchange and Currency Deposit departments.

They invite applications from dealers *with market experience who believe that* they have outstanding ability.

Apply in confidence to:-
The Staff Director,
M.W. Marshall and Company Limited,
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Marshalls

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Foreign Exchange Dealer

Hill Samuel & Co Limited have a vacancy for a Dealer in their early to middle twenties with at least two years' experience in spot and forward *markets* dealing with Corporate Clients in addition to interbank business.

The successful applicant will be responsible for one or more actively traded currencies. The position offers scope for early promotion. A competitive salary will be paid together with the usual range of substantial banking benefits.

Please telephone or write in confidence to:

Mr. P. G. S. Coulson
Senior Personnel Officer,
Hill Samuel & Co Limited,
100 Wood Street, London EC2P 2AJ.
Tel: 01-628 8011.

HS

HONG KONG

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We need two further solicitors with minimum three years' qualified experience for our Hong Kong office. Excellent prospects in our local and South-East Asian regional practice. Salary negotiable but unlikely to be *less than* £14,500 *per annum. Interviews* in London in late August and early September.

1. Solicitor with commercial and company law experience. Banking, finance and loan syndication experience would be a definite advantage.
2. Solicitor with experience *of* shipping litigation capable of handling cases with minimum supervision.

Please write in confidence, with curriculum vitae, to:

Mr. R. J. Davidson,
BAKER & McKENZIE,
Aldwych House, Aldwych, London WC2B 4JP.

FINANCIAL CONTROLLER/DIRECTOR DESIGNATE

Eurotherm International Limited is expanding rapidly and seeks to strengthen its internal financial services to cope with future growth. We are specialists in industrial electronic systems and became a publicly-owned company in 1978.

We are interested in individuals who have already demonstrated an exceptional career growth pattern, who are potential 'high flyers' and who can show experience in:

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U.K. COMPANY LAW
EXCHANGE CONTROL REQUIREMENTS

A substantial salary is offered with fringe benefits.

Apply in confidence to:

Dr. J. L. Leonard,
8 High Street, Worthing, Sussex, BN11 1NU.

BRITISH POULTRY FEDERATION

SENIOR EXECUTIVE

The British Poultry Federation, which represents every aspect of poultry production and processing in the United Kingdom, is looking for a Senior Executive to complement its existing staff resources.

Preferred age is 28 to 32; experience in the following areas will be an advantage: Trade Association work/Agriculture/ Marketing/Statistics.

Good prospects and realistic salary. Application, giving details of qualifications, curriculum vitae and names of two referees to:

Director General, British Poultry Federation Limited, High Holborn House, 52-54, High Holborn, London WC1V 6SX.

UK NEWS — LABOUR

Second company withdraws pay offer

BY OUR LABOUR STAFF

A SECOND engineering company has withdrawn a pay offer to the industry's unions under the threat of expulsion from the Engineering Employers' Federation.

Federation negotiators have warned that any member company which makes an offer above the proposed national level will be expected to resign. The federation is trying to contact three other member companies, which it understands may have made offers above the limit.

Union negotiators claim that at least 12 federation companies have met the national claim in full, including £80 for the top skilled rate, a 39-hour week and a commitment to a 35-hour week by 1982.

Mr. Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions, accused the employers of panicking over the claim. The threats of expulsion reflected this.

He said the federation had been caught "with its trousers down" during the one-day strike on Monday because it had misread the mood of the workforce.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, estimated that more than 100 companies had reached individual settlements.

● Shop stewards at Rolls-Royce in Coventry have blacklisted about 70 supply companies because they claim their workers did not take part in Monday's national strike.

Three hundred supply firms were warned by letter of the consequences of joining the industrial action, said Mr. Phil Higgs, engineering union convener at the Parkside plant.

"The embargo will be indefinite. Their work will not be allowed into Rolls-Royce plants in any part of the country, nor will it be handled by Rolls-Royce workers," he said.

Customs staff cuts to be reconsidered, says union

BY GARETH GRIFFITHS, LABOUR STAFF

THE GOVERNMENT is to reconsider staff cuts in the Customs and Excise service, the Society of Civil and Public Servants said yesterday after a meeting with Sir Geoffrey Howe, the Chancellor.

Miss Judy McKnight, the SCPS national officer for the Customs section, said Sir Geoffrey had indicated he thought another 1,400 posts should be phased out by April, 1982. This compared with 6,000 jobs lost if the Government implemented a 20 per cent staff cut.

The 1,400 figure falls well short of the staff cut options of 10, 15 or 20 per cent being considered in Whitehall. Department Ministers were due to have reported scopes for savings on staff by the end of last month. The issue is to be examined and decided upon in the early autumn.

The Treasury said last night, however, that no decisions had been made about the extent of the reduction in Civil Service staff expenditure. Speculation about the size of further cuts was, therefore, premature.

The society, with the Civil and Public Services Association, has been working to rule for a fortnight and will decide today whether to lift the action which it says was the reason the Chancellor agreed to a meeting. But the Treasury emphasised that yesterday's meeting was one of a series, and not a response to industrial action.

Quality of service

The staff side from the Inland Revenue also met Sir Geoffrey yesterday. The department's staff is being cut by 2,700 posts, and union leaders were told that further reductions, to be introduced in the autumn, will lead to another 2,000 lost jobs. About 83,000 people work in the department.

Mr. Clive Brooke, assistant general secretary of the Inland Revenue Staff Federation, said the cuts would affect the quality of service offered to the taxpayer.

There were strong indications last night that a committee of London magistrates would reject a 20 to 30 per cent pay claim by nearly 500 magistrates' court staff. The staff, members of the CPSA and the SCPS, will discuss possible industrial action tomorrow. Mr. Bernard Studd, SCPS assistant general secretary, said strike action was likely.

● The GLC's 19,000 white-collar staff have won pay increases ranging from 15 per cent to 21 per cent from July 1—with a further review in January. The agreement includes a revamp of efficiency schemes and a new consultative and disputes procedure.

Shotton men appeal to TUC in fight against closure plan

BY ROBIN REEVES

RESISTANCE TO the proposed closure of steelmaking at the British Steel Corporation's Shotton works is being stiffened. Workforce representatives are to travel from North Wales to London today to seek support for their stand from the TUC Steel Committee.

Union meetings this week have established that most of the Shotton workforce opposes the planned shutdown, which would result in 6,300 redundancies, rather than negotiating a severance agreement.

Only the National Union of Blastfurnacemen among the unions at the plant has yet formally to decide its attitude. Its membership is to meet before the end of the week.

Leaders of the TUC Steel Committee are to meet officials later. Although Shotton is not on the agenda, Mr. Monty Hughes, chairman of Shotton's action committee, said that they would press the union side to raise the issue as an emergency item.

Meanwhile, Mr. Mervyn Phillips, chief executive of Clwyd County Council, issued a statement accusing the Corporation of muddled thinking and mismanagement, and urging the Government to intervene.

He said that the Corporation had omitted to abide by pledges it made in April over union consultation and there were serious doubts about its plan for the continued existence of 3,000 jobs in the non-coated, finished steel section.

Shotton needed to be treated separately from the issue of UK steel overcapacity because of its EEC importance in the plant's finishing end.

Allegations that the corporation produced misleading figures to support the argument for the plant's closure in 1974 have been supported by two university lecturers in accounting and finance at the University of Warwick.

Dr. Robert Bryer and Mr. Terry Brignall were asked by the works action committee to look at Corporation figures given to the TUC Steel Committee in August, 1974.

Perkins lays off 3,200

PERKINS DIESELS laid off 3,200 men at Peterborough yesterday.

They have been made idle by a strike of 400 key workers who refused to operate new engine-testing equipment until they get a new pay deal.

The company employs 7,000 production workers and the management has warned them that they will all be sent home by the weekend if the strike continues. Negotiations with the trade unions have broken down but the company has offered to listen to any views that might result in a return to work.

Perkins is recovering from a five-day strike over a pay claim last April, involving the complete labour force, which cost it £10m in lost production.

Unions to resist shutdown at Motherwell steel plant

BY RAY PERMAN, SCOTTISH CORRESPONDENT

UNIONS ARE to resist the closure of British Steel's Lanarkshire works, at Motherwell, which would mean the loss of nearly 300 jobs but save the corporation £3.5m a year.

Management told the unions yesterday that it wants to see the 90-year-old works close in November. About 390 men work there, but up to 100 might be found new jobs at the nearby Ravenscraig plant.

Mr. Arthur Bell, Scottish officer of the Iron and Steel Trades Confederaton, said that unions had accepted the shutting of the works melting shop but opposed ending milling. It was Scotland's only heavy section mill.

The corporation said that demand for colliery arches, Lanarkshire's main product, had fallen.

Savings from the Lanarkshire closure will go some way to meeting the corporation's target of a £4m cost reduction in its Scottish division this year, but last year's £83m loss can be reduced only with modernised plant.

Ravenscraig, on which £220m has been spent, produced only 1m tonnes of steel last year and needs at least to double that this year to pay its way.

The idle £100m ore terminal and £60m direct reduction plants at Hunterston must also be brought into operation.

Talks take place tomorrow between the Confederation and the transport union over the inter-union dispute that has stopped the ore terminal from entering service.

ICI 12-18% pay offer accepted

MANUAL WORKERS at ICI have accepted rises of between 12 and 18 per cent. The increases go to 50,000 employees in craft and general unions and is one of the last big deals in the wage round to August.

The rate for the lowest grade is being raised by £6.?1 to £64.84 and for the highest grade from £13.63 to £89.08. There are increases in shift rates and other payments.

The company is due to negotiate with scientific and technical workers and clerical and administrative staff in the next two days.

Opencast workers heed one-day strike call

BY NICK GARNETT, LABOUR STAFF

FIVE THOUSAND workers at opencast coal sites took pairt in yesterday's one-day unofficial strike over pay and negotiating rights, according to the National Coal Board.

Between 7,000 and 8,000 workers are employed at the NCB sites.

Operations stopped on all sites in Scotland and South Wales, but some work continued in other areas, including the North and Midlands.

The Federation of Civil Engineering Contractors said the stoppage was fairly general, although it was not necessarily a sign of whole-hearted support for the action.

The opencast workers, most of whom are members of the Transport and General Workers' Union, are planning an unofficial overtime ban later this month unless employers make substantial improvements in their offer. Further negotiations are scheduled for August 21.

General pay rates for open cast workers are governed by the national building and civil engineering settlement, but there are further separate negotiations with the open cast contractors.

The one-day strike reflects dissatisfaction that national pay rates do not relate to the relatively substantial profits in opencast wrok, which the union argues have been much higher than in general construction.

The workforce is seeking separate negotiating rights. National union officials are supporting the men on the pay issue, but not on demands for a separate negotiating agreement.

Rover strike rejected

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE 4,000 workers at Rover Solihull have rejected a call for a strike in protest at company plans to produce more cars with less labour.

From next month Rover wants to assemble 1,250 cars a week on two production lines compared with 1,150 presently made on three lines.

About 700 workers would be offered alternative employment but up to 400 jobs could be lost.

The strike call was made by a group of militant stewards. The official union representatives at Solihull have broken off plans for negotiation until national leaders can discuss the issues with BL Cars' top management.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Combustion control

STACK LOSS measurement kit *suitable for both large and small* heating and processing installa*tions can recover its cost* of around £290 within a few weeks *in reduced fuel consumption.*

It includes an OTOX 92 compact digital oxygen analyser, stack temperature thermometer and a stack loss chart covering oil, gas and coal, and optionally, a soot density sampling pump and a soot chart for use on oil-fired installations. The kit comes complete with spares and accessories.

OTOX 92 gives direct and instantaneous oxygen indications with a digital reading to 0.1 per cent. The dial thermometer *reads up to* 500 deg. C with an accuracy of 5 deg C.

This analyser offers a major advantage over wet chemistry *techniques currently employed.* These rely on the measurement *of carbon dioxide, which can be* misleading. Unless other gas *measurements are taken the* carbon dioxide reading can lead *to serious fuel losses and* potential danger for both the *installation and personnel.*

Stack oxygen and temperature *measurements obtained with* the kit are converted into a *direct stack loss measurement* on a simple chart. The stack loss is used as a comparative efficiency measurement of the boiler's operation so that *fuel/* air ratios can be correctly adjusted for maximum efficiency *and safety.*

Neotronics, Parsonage Road, Takeley, Bishops Stortford, Herts CM22 6PU. 0279 870182.

Recovering the heat

BP HAS ordered a 14 MW gas *turbine installation for its* Gothenburg refinery from *Stal-Laval Turbin AB, Finspong,* Sweden.

It will include a GT 35 gas turbine and a waste heat recovery boiler *which will use the* energy in the exhaust gases to produce about 50 tons of process steam per hour at 18 bar, 280 degrees C. This will be used in the refining process. The refinery will also consume about half the electrical output and will sell the surplus to the Gothenburg municipal electricity authority.

The GT 35 turbine will normally use refinery gas as fuel, but it can burn liquid fuels as well. The waste heat boiler uses the hot exhaust gas, with supplementary firing if necessary. The complete installation will have the high *overall efficiency of* 75 per cent.

Crown House, London Road, Morden, Surrey, SM4 5DX. Tel: 01-543 3476.

● COMMUNICATIONS

Terminal provides greater flexibility

ATS *Communications* of Haywards Heath, has developed a new *telegraph-compatible* visual display terminal, the Vitel II, designed as a silent, *all-electronic* and faster alternative to teleprinters and telex machines.

By replacing hard-wired logic with an Intel 8080 microprocessor to perform all control, editing and interface functions, the Vitel II offers new operating facilities; not the least of which is the ability to work in both 5 and 8 level code: into Baudot or the new ASCII message switching systems which are now achieving wide acceptance. Interactive working between Vitels, or with other 5 or 8 level devices, is also possible.

In additon to British Post Office permission to connect to line, the new terminals have already received FTZ approval for connection in West Germany.

Dual input and output ports enable paper tape and hard copy peripherals to operate in tandem with I/O transmissions. A typical layout could incorporate an input paper tape reader with, thanks to the new 5/8 level O/P, virtually any type of serial printer. These facilities also enable the Vitel II to continue working off-line in the event of a breakdown within the message switching network.

The standard 4K bytes of buffer storage may now be increased, in 4K increments, to 48K of RAM. This enables the operator to compile and edit messages of up to 20 pages of 20 lines prior to direct transmission or dumping to paper tape for later transmission. The storage facility for frequent addresses, special instructions and priority phrases has also been increased from 256 characters to 1K.

Thanks to the microprocessor, the previous eleven-board structure *has been reduced to four* —a process board, a memory and *input/output* board and a character generator board. Apart from *easier maintenance,* inherent reliability is also improved by this reduction.

Individual user requirements, usually relating to different message start/stop formats, polling and work processing capability, may now be met far more easily through software modifications.

The *new* facilities are provided at no extra cost. Because *of this and the success of the* Mark I, ATS is doubling its pro*duction facilities.*

ATS Communications, 30 Bridge Road, Haywards Heath, Sussex. Tel. (0444) 52377.

Data from shop floor

SPL INTERNATIONAL has released an improved version of *its factory floor communications* equipment which it is calling *Datascan II.*

Ability to collect information from up to 128 *terminals* is one of the most important advances since *it represents a doubling* compared with previous equipment. At the *same time*, a series *of different* terminals can now be accommodated, while there *is two-way* communication between the controller and the *machine terminals.*

A much higher degree of special requirement fitting is thus obtainable from the equipment. Further from SPL at 12, Windmill Street, London 01-636 7833.

● TEXTILES

Yarns of higher quality

BETWEEN THE card, and its *delivered sliver, and ring spinning* there is a need for slivers to be given a blending on one or more passages of drawing. Only in this way can really high quality yarns be produced, particularly if they are of blends with different types of fibre, such as polyester and cotton.

In recent years there have been great advances in the speeds of draw frames, but at the same time they have tended to become more complex, more *sophisticated and consequently* very much more expensive.

Two well-designed, and far simpler high speed drawframes have been introduced by Investa, Czechoslovakia (British agent: Omnipol Trading and Shipping Company (London), 34-36, Gray's Inn Road, London WC1X 8HR. Tel. 01-242 8640.) The machines are the Novpos 1 and 2 and both run with sliver delivery speeds that can be varied from 100 to 450 metres/minute.

In many respects they are similar with an ability to process natural and man-made *fibres of 27 to 65 mm staple* length—with process sliver from 5900 to 2860 tex and both with twin sliver delivery.

With the Novpos 1 feed is from six to eight cans which can then be positioned behind the Novpos 2 for the second stage of drawing. Whereas delivery-can change on the Novpos 1 is manual, the twin delivery system of the Novpos 2 is into large cans of say 300 x 890 mm which are automatically changed by a carrier system.

The major aspect of this new design is its comparative simplicity, high operating speed and robust construction which is directed towards long, maintenance-free operation.

Knitting needle breaks

CIRCULAR knitting machines are equipped with hundreds or even thousands of needles around the knitting cylinder. Should one *of these* break, and should this go undetected, serious faults can be caused and valuable cloth lost

An electro-mechanical system has been developed which can "see" a faulty needle, stop the machine immediately and so avoid making faulty cloth.

Cirscan is the name given to the unit, able to detect a faulty *needle and bring it* automatically to the change gate where it can be *removed* and a *good* needle inserted.

Introduced by Meiners Electronic Controls (54-58 Bartholomew Close, London EC1A 7BB. Tel. 01-606 2272), it has a counter which *allows* for the characteristics of different machines and permits the detection heads to be set at any position

In the event of a fault an indicator light is illuminated and shows which detector head, and which needle(s) stopped the machine. There is a digital read-out that shows the position of the faulty needle.

Should two or more broken *needles be detected there* is a fail-safe lockout device that is activated and so prevents any danger of a possible press-off. The *unit is unaffected* by changes in machine speed, by oil or by fluff.

● PROCESSES

Dries print material

WASHING and drying equipment has been added to Agfa-Gevaert "Copyproof" products, used in graphic studios and darkrooms. It ensures absolutely even image uniformity and extends the life of all diffusion transfer materials.

It is also a time-saver during the final processing *steps* for a variety of other materials—for instance *with photographic* prints.

A compact 30-kilo tabletop assembly, it quickly treats Copyproof positives to a final rinse and fast drying process. Water for the unit is supplied from a bottle, so no plumbing is required. Materials are first taken through a washing bath, then between rollers which remove surplus water, and finally they pass through the drying unit where a warm air stream is directed at both sides of the sheets.

An A4 size sheet takes 30 seconds to complete the circuit into the delivery tray, travelling at about 10 mm a second.

The Copyproof WD37 measures 80cm long (including delivery tray), 64cm wide and 35cm high.

Agfa-Gevaert, 27 Great West Road, Brentford, Middlesex.

New life for motors

PROCESSES for the rejuvena*tion of electric motors* have been developed by Ayroder of Liverpool and *a licensing agree*ment has been signed with an Australian company, Read's Electric of Perth, giving the company further *outlets to those* already negotiated in Europe, South Africa and South-East Asia.

There are two processes, already available at eight stations throughout the UK.

Process 3 involves a fast and certified complete rewind for a burnt-out machine.

Process 2 employs steam cleaning and a method of applying insulation varnish, offering a "completely revitalised" machine while avoid*ing a costly rewind.*

A further option, Process 1, makes use of solvents *and chemicals* to restore, in a typical case, 70 per cent of a motor's *insulation* values by means of a fast on-the-spot application.

More from the company at Edge Hill Works, Bridge Road, Liverpool (051-733 0881).

Mixers run longer

NOW AVAILABLE from Prematechnik UK, 176 Vauxhall Bridge Road, London SW1 (01-843 6013) are tank mixers in three types, each suitable for a specific area of duty and designed to operate for long periods.

Fixed type mixers are said to be *ideal* for maintaining the homogeneity of the contents of a tank while the swivel mounted type—which are free to move within a 60 degree angle—should prevent sedimentation in crude oil tanks. A third type is designed specially for high temperature applications being tolerant of working temperatures of up to 200 degrees C—such as those that are necessary for handling bitumen.

All the mixers in the Series 70 are available in a range of sizes with power drives from 3 hp to 75 hp, and impeller diameters from 400 to 914 mm.

By adopting a "standard module" method of construction, says the company, maximum interchange of spare parts is assured. Furthermore, the mechanical seal is located at the rear end of the shaft—a design which provides optimum protection and fast and easy interchangeability.

Installation and maintenance are said to be simplified by the use of a *bayonet* type lock which seals the mixer against the tank, a feature which allows maintenance to be carried out when *the tank is full.*

● DATA PROCESSING

Accelerating work flow when the load increases

TWO NEW products by Amdahl are the 470V/7A, a mid-range *addition tothe* 470 series, and the 470/Accelerator, designed to provide users of the 470/V/5 and V/5-II, as well *as* the new *V/7A,* with extra performance whenever the need arises.

Intended for customers who currently require a lower-priced high-performance machine, but who may want the option to increase capacity by upgrading to a V7 or V8 in the future, performance is approximately 75 per cent to 85 per cent that of the V7. Minimum configuration is four-Megabyte, 12 channel, and as with the V7 *the system can be expanded* to 16 Megabytes of memory and 16 channels.

The Accelerator provides data processing centres with the ability to meet short-term increases in demand without having expensive idle capacity over the long term. When the 470/Accelerator is activated by operator command, performance of an Amdahl 470V/5 and V/5-II can be increased by 40 per cent to 50 per cent to the equivalent of a 470V/6 and 470V/6-II respectively. *Similarly,* the performance of a 470V/7A can be increased to that *of a V/7,* representing approximately 20 *per cent.*

Amdahl is to make the 470/Accelerator available only on a monthly rental basis with a minimum charges for up to 20 hours, plus an hourly rate for usage beyond the minimum. A meter records the time when the system is in accelerator mode and the CPU is active.

This significant new product *provides the approximate* additional power of a 370/158 with a single *operator console* command, issued whenever the extra power is needed to handle known workload peaks such as end-of-month processing, or to deal with unexpected *overloads* and backlogs, or again with application growth.

It is implemented with advanced circuitry by the simple installation of special hardware within the existing 470 system: no extra floor space or cabinets are required.

Extra processing power is *turned on* and *off by single* operator commands. Software *is not* affected either during transition or while in 470/*Accelerator mode;* jobs are not disrupted by either operator command.

Amdahl (UK), Viking House, 29-31, Lampton Road, Hounslow, Midx., TW3 1JD. Tel: (01) 572 4312.

Aim to cut fuel costs

WITH WORLD attention *focused on the need to reduce* oil consumption, International Computers has introduced a low-cost array which monitors vehicle performance and provides detailed information on fuel consumption and maintenance costs.

By using "VEHICL" transport managers can readily identify individual vehicle costs, *ascertain what proportion of* running costs are accounted for *by fuel, oil, tyres,* and replacement parts, and *compare* the *performance of different* vehicles in a fleet.

Reports produced by computer will enable them to see at a glance which vehicles use most fuel and which are the most expensive to run.

VEHICL has been designed for use with the ICL 1500 minicomputer of which some 10,000 are now in use world wide. It *is ideally suited to fleet* operators with 30 or more vehicles *and can be installed anywhere* in the world. With it, paperwork is kept to a minimum; in most cases it will replace existing documentation and therefore economises on paper, copying and clerical effort.

Basic cost of a ready-to-use system is approximately £13,000. This includes the new VEHICL software and an ICL 1500 with input keyboard and video screen, main-store, disc storage *to hold* vehicle records, and a printer to produce a variety of *reports.*

Standard input forms have *been developed* for collecting the data in the required format *and these streamline* the operation of the system. Different forms are available, for example, to record details of new vehicles, work carried out on a vehicle, and fuel issued.

VEHICL has been designed for use by people with no knowledge of computers. Step-by-step instruction are provided on the visual display screen to *assist the operator when setting* up new information files, in*serting operational data and* obtaining reports. The latter may be produced, as required on fuel costs, mileage run and maintenance work, for each location where vehicles are based.

One report lists vehicles in descending order of costs incurred: another groups together similar vehicles into mileage bands, thus providing a profile of the average vehicle at specified ages and enabling cost curves to be built up over the "*lives*" *of several vehicles.*

ICL House, Putney, London, SW15. Tel. 01-788 7272.

● MATERIALS

Return of paper wrapping

PLASTIC FILM and transparent wrappings have enjoyed considerable popularity in the fruit and vegetable trade no doubt due to their aesthetic appeal to the consumer. This type of wrapping, however, does not allow the produce to breathe and moisture inside the package can cause the contents to rot if the covering is not promptly removed after purchase.

Such drawbacks inspired French paper manufacturer Papeteries de Gascogne of Mimizan, to develop an unbleached kraft paper called Alios for use in direct contact with food.

Used to wrap products as diverse as wet fish and soft fruit, it is not weakened by humidity and, although ultra thin, it matches with the carrying capacities of kraft paper of a much heavier substance, says H. H. Pegg, Temple Bar House, 23, Fleet Street, London EC4 (01-353 6876) sole UK agent.

It is specially treated on the paper making machine to retain its *high burst strength even* when wet and the additives used are *not harmful to health.* It should meet environmentalists' approval *too*—*Alios is bio*degradable.

The French paper maker's development has been awarded the *Certificate of Hygienic Merit* by the Royal Institute of Public Health and Hygiene.

Printer for personal computing

TRENDCOM 100 is an intelligent printer for the Apple and Pet personal computers, costing £243, plus £49 *for the interface.*

It is a high performance *serial* dot matrix unit with a printing speed of 40 characters*-per-second* and full 96 ASCII character set.

The unit has full line buffering and bi-directional "look-*ahead" ability. After one line* has been printed from left to right, the microprocessor examines the next line and then *moves the print head to the last* character on that line, printing from right to left.

Large legible characters are printed *in a 5 x 7 dot matrix* at 10 characters-per-inch. Print head and roller are the only moving parts, controlled by two DC stepping motors.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
2nd qtr.	110.7	104.5	96	107.9	254.4	1,367	213
3rd qtr.	111.5	105.1	102	110.7	266.6	1,380	213
4th qtr.	109.9	102.6	111	111.7	273.0	1,340	230
1979							
1st qtr.	109.1	101.4	100	110.3	276.4	1,351	234
2nd qtr.				116.7	297.3	1,299	250
Feb.	111.4	104.2	106	110.4	275.4	1,365	231
March	112.3	106.5	102	110.8	279.8	1,350	236
April	113.2	105.3	99	115.4	290.6	1,311	250
May	113.9	104.6		113.5	289.2	1,307	257
June				120.3	309.3	1,280	262
July						1,279	253

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
1st qtr.	105.2	96.8	116.3	98.9	96.5	98.0	17.8
2nd qtr.	108.1	97.8	122.3	99.6	107.4	101.0	27.1
3rd qtr.	108.3	99.5	123.3	100.6	101.2	103.7	23.0
4th qtr.	105.3	96.5	123.5	96.6	97.6	101.2	20.2
1979							
1st qtr.	103.8	98.4	125.5	98.2	97.6	97.3	12.8
Jan.	99.0	92.0	117.0	92.0	77.0	93.0	10.7
Feb.	105.0	102.0	130.0	101.0	102.0	98.0	12.7
March	108.0	101.0	130.0	102.0	114.0	101.0	15.6
April	107.0	101.0	129.0	101.0	104.0	99.0	18.0
May	107.0	99.0	133.0	99.0	110.0	99.0	19.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
2nd qtr.	122.2	109.7	− 173	+208	−414	104.9	16.75
3rd qtr.	124.8	114.9	− 357	+154	−501	106.1	16.53
4th qtr.	124.8	112.3	− 39	+450	−480	106.9	15.77
1979							
1st qtr.	110.3	113.3	−1,181	−787	−237	107.7	16.78
2nd qtr.	134.2	129.0	− 561	−231	−210	108.0	21.69
Feb.	100.7	117.0	− 766	−635	− 78	108.1	16.62
March	117.2	116.7	− 289	−158	− 97	107.4	17.45
April	128.4	127.2	− 327	−217	−114	108.9	†21.47
May	133.6	127.8	− 185	− 75	− 54	108.0	21.53
June	140.7	132.0	− 48	+ 61	− 42	107.1	22.07
July							22.49

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
2nd qtr.	10.1	15.0	24.5	+2,800	694	1,506	10
3rd qtr.	17.2	8.2	8.6	+ 591	746	1,559	10
4th qtr.	15.1	13.0	8.6	+1,875	878	1,584	12½
1979							
1st qtr.	7.2	10.1	32.6	+1,629	777	1,583	13
2nd qtr.	9.7	16.7	28.4	+2,594	777	1,869	14
Feb.	17.6	20.6	23.9	+1,089	231	532	14
March	7.2	10.1	32.6	− 263	257	526	13
April	16.8	7.4	19.3	+ 846	343	566	12
May	12.9	8.3	20.8	+ 932	309	622	12
June	9.7	16.7	28.4	+ 816	125	681	14
July							14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
2nd qtr.	129.9	146.2	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.2	161.6	208.9	218.8	268.83	64.1
2nd qtr.		160.5	167.9	216.5	225.2	293.55	67.9
Feb.	141.1	152.2	161.7	208.9	218.7	267.36	63.7
March	143.7	153.5	163.2	210.6	220.2	268.83	65.0
April	144.3	158.4	165.5	214.2	221.6	277.11	65.9
May	146.5	161.0	167.7	215.9	224.0	279.20	67.4
June		164.5	170.3	219.6	230.8	293.55	69.5
July		164.7	174.5			278.92	72.1

* Not seasonally adjusted. † Reserves: new revalued annually, new estimates.

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THE MARKETING SCENE

Comparative advertising: Is it honest? Does it work?

When to knock and not to

BY MICHAEL THOMPSON-NOEL

SHALL I COMPARE thee to a Volvo, an Audi, or the Fiat 127? To Qantas, or Lufthansa, or TWA?

One of the most vigorous debates in marketing concerns the use of comparative advertising. Is it honest? Is it ethical? Does it work? Those who dislike it say that comparative advertising—making direct product comparisons and unashamedly naming names—could turn the advertising business into a "carnival brand name shooting gallery—noisy, unproductive and unprofessional."

In Britain, where comparative advertising at present probably accounts for only 1 or 2 per cent of total advertising expenditure, the practice is perfectly legal though severely restricted, both statutorily and by the advertising industry's own voluntary controls.

In the U.S., where comparative ads may account for up to 10 per cent of all advertising expenditure, restrictions are far less in evidence. The Federal Trade Commission likes it, saying that if comparative ads foster a jungle mentality in the marketplace, the consumer is almost bound to benefit.

The FTC recently warned the U.S. advertising profession that it would challenge any advertising code that restrained comparative advertising. It said that the restrictive use of voluntary rules against "truthful disparagement" in ads would invite attack, and said that standards of substantiation for comparative advertising claims should be pitched not one jot higher than those for non-comparative ads.

A succinct guide to the general debate is provided by Richard Block of Ogilvy Benson and Mather in London, writing in the latest edition of OBM's planning and research bulletin.

Why all the fuss? he asks. After all, most advertising strategies aim to create the impression that the advertiser's brand is superior to the competition. However, comparisons with the ubiquitous Brand X, or with rival product categories—"Sucron looks like sugar, tastes like sugar yet only gives you a quarter of the calories of sugar"—excite no controversy. It is only when advertisements explicitly name rival brands that comparative ads become controversial, says Mr. Block.

He discerns two basic techniques—knocking copy, such as the Volkswagen Polo claiming superiority over the Ford Fiesta without offering supporting evidence; or "coat-tailing," where an advertiser seeks to upgrade the reputation of his brand name by comparing it with a better-known or much more expensive competitor, or a higher order of product altogether, saying: "We are the Rolls-Royce of washing machines, calculators, razors, lawn mowers, etc."

Attitudes to comparative advertising vary enormously. It is permitted in the UK, U.S. and Scandinavian countries, for example, but in France, Belgium, Italy, Spain and Austria there is outright prohibition or severe restriction.

The usual reasons for prohibition are that comparisons in ads are fundamentally malicious, unfair, deceptive (because they do not make all the relevant comparisons) and leech-like (particularly where they use the trade marks of rival companies).

In Britain, the main basis of legal restrictions on comparative advertising is the Trades Descriptions Act, which apart from guarding against false and misleading consumer information, was designed to prevent abuse of a firm's trademarks or business goodwill.

When it comes to voluntary controls, the Code of Advertising Practice permits comparative advertising "in the interest of vigorous competition and public information," but lists several conditions. There are similar restrictions on the use of comparative advertising on television: for instance, it must be based on "irrefutable factual evidence" and offer "a comparison which is significant in consumer terms."

"Whatever the legalities and voluntary restrictions," says Mr. Block, "many advertisers and agencies regard this form of advertising as ungentlemanly and abrasive. But comparative advertising is legal within certain constraints, so the question to ask is . . . does it work?"

The answers provided by consumer research are to date far from unanimous. OBM research in New York indicated that there were no positive advantages inherent in the comparative approach. In London, OBM last year conducted research into comparative advertising in the car market, the type of market where it can be most usefully employed: a high-risk decision area where buyers make careful brand comparisons. A non-comparative ad for the Volkswagen Polo scored *best on all the measures of* advertising effectiveness monitored by the researchers when ranged against two comparative ads (one substantiated, the other not) for the same car.

However, many consumers are attracted by the notion of comparative advertising, says Mr. Block (they find it "more useful," "more believable") and its use is growing. Among cars it has been very widely used. Among airlines, Iran Air has tried coat-tailing, while in the last U.K. general election, the opening poster in the Conservatives' campaign, headlined "Labour Isn't Working," produced a celebrated example of the aggressive, unsubstantiated knock in which the client-product itself, the Conservative Party, barely got a mention. Zanussi has used it for dishwashers, and comparative ads have even made an appearance in the golf ball market.

According to Mr. Block: "The technique is certainly gaining ground. Where next? Looking at the U.S. as an example, you begin to see the potential number of products and services which could use comparative advertising." In U.S. print media, both high- and low-risk product categories use comparisons. Cars are still the leaders, but joining them are cigarettes, banks, copying machines, insurance companies, headache remedies and drinks. On TV, drugs, food and beverages, cleaning products, toiletries, cameras, electrical goods, airlines, credit cards and even spaghetti sauces are climbing merrily on board.

Comparative campaigns may be most appropriate, says Mr. Block, where a company is introducing a new product, or owns only a small share of market, or in the case of low-budget brands. In all cases the product is more likely to benefit from coat-tailing than from outright comparative attacks.

But Mr. Block makes a slip or two when detailing other cases where a comparative approach may be suitable. "If a competitor is using comparisons against your brand," he says, "then it is often necessary to refute their claims with effective counter-claims. This can get a bit out of hand, because if too many ads in a specific product category are comparative in nature, then it is likely the efficiency of all campaigns will be minimal, as consumers will become less sure about who is exaggerating and who is telling the truth." *(Exaggerating? Telling untruths?* Whatever *next?)*

Mr. Block makes another slip later on when warning against the use of knocking copy "*if your product has no identifiable* and demonstrable advantage to consumers." Really, one begins to wonder what is going on.

In summary he says that the climate for comparative advertising has improved; that its use is on the increase, partly because of lessening restriction, partly consumerist pressure from a recession-conscious public: and that as to moral and ethical considerations, comparisons, when used responsibly, can benefit both consumers and advertisers.

All of which is fine, so long as the latter, when conversing with the former, remember their oft-proclaimed love of that magic ingredient: the blue whitener of truth.

Scotch on the rocks

CAN ADVERTISEMENTS be worthy artefacts, as creative souls maintain? If so, the distinguished portrait on the right is already a collector's item. You can see it on billboards still, but by the end of the year it will have gone because the client, White Horse Distillers, and its agency of five years, French Cruttenden Osborn, have fallen out, writes Michael Thompson-Noel.

SCOTCH AND AMERICAN

The portrait is called Scotch and American, one of a series produced by FCO in a campaign for the White Horse brand that started last June. There is no brand name or exhortation, no sign of a Scotch bottle, no glimpse of a glass—just the famous White Horse, accompanied by a U.S. basketball player, to denote that Scotch mixes well with American dry ginger. (Other ads in the series are entitled Double Scotch, Scotch and Water, and so on.)

At the heart of the split is a belief that White Horse Distillers has suddenly developed cold feet over the surrealist tack of the current campaign and wants to "haul back the bottle," though no agency-client split can be as simple as that.

The campaign has made considerable impact and won a roomful of prizes, which explains the agency's shock last week when it was asked to repitch for the £500,000 White Horse account alongside rivals. FCO says it received no prior warning, though there had been "mutterings" about the missing bottle since the start of the year, when White Horse appointed a new managing director. The agency has declined to represent for the account, preferring to rest its case on five years' work. It seems certain to lose.

The agency won the account from KMP, which had developed the theme, You Can Take a White Horse Anywhere. "To shift brand shares in the whisky market takes a very long time," said Mr. Cruttenden this week, "probably years. The basic brief was to develop a new theme. We were told: 'Do what you like, but leave out the horse,' so what we developed was basically a bottle-and-glass campaign.

"Then, during the EEC upheavals in the Scotch trade, a new campaign was needed. It was obvious that the white horse was the greatest single property the brand possessed, so we decided to bring it back strongly."

The current ads are primarily the work of art director Graeme Norways and photographer Lester Bookbinder. The public liked them: one French tourist wandered into the agency and asked for a 48-sheet poster (approximately 20 ft x 10 ft) of Scotch and Ginger for her apartment in Paris. The trade liked them. And sales rose sharply. White Horse expects to sell more than 1m cases in Britain this year, though because of upheavals in the market it is impossible to determine what role the campaign played.

However, White Horse itself apparently possesses research indicating a lack of comprehension in consumers' minds.

Alan Ramsay, the White Horse advertising manager, said this week: "There is obviously more to agency-client relationships than what appears on hoardings or in print. We do not make hasty decisions. We were not greatly at variance as to the future of this campaign, but there were differences of opinion and attitude that we found impossible to resolve."

At present there is an FCO poster in the Cromwell Road in London that has been "adapted" to incorporate a White Horse bottle. But the agency maintains that the current campaign is exactly on key. "This campaign needed two to three years," says Mr. Cruttenden.

Not all agency professionals like the campaign. According to one managing director: "It's indulgent." Another: "You must never condescend to the brand."

For FCO, which in losing White Horse will lose one-tenth of its billings, the sudden thumbs-down has proved a very painful shock. "You'd be surprised what other agencies are doing to win this account," said an FCO director. "They are churning out bottles and glasses. There are plenty of whores in our business."

Schreiber goes the independent route

GEC SCHREIBER is switching £2m worth of advertising out of the McCann-Erickson group and is to handle it internally, with the help of specialist media and creative consultants. This is the biggest transfer of business away from a full-service agency and into the independent sector since the start of the year, when changes in agency recognition agreements gave clients a wider choice of options on media buying and agency remuneration.

However, Leo Martin, GEC Schreiber's marketing director, said yesterday the decision to opt out of McCann was hardly influenced at all by financial considerations.

"Handling our own campaigns is something we have never tried before. We may be able to do as good a job ourselves, or even better. We don't know whether it will succeed, but we'll give it a try."

The brands involved include Schreiber furniture, Hotpoint fridges, washing machines and dishwashers, and Morphy Richards irons and toasters.

● AIRFIX PRODUCTS' account, expected to be worth £750,000 next year, has gone to Fletcher Shelton Delaney.

● MARKET AND OPINION Research International is launching a new omnibus survey for companies and agencies wishing to measure the effectiveness of corporate advertising.

● WOOLWORTH is spending more than £100,000 via ABM on the first national poster campaign by a British retailer.

LOMBARD

Half-hearted indexation

BY ROBERT GRAHAM

EVERYONE wants to see earnings insulated against inflation but the mechanisms rarely satisfy all the parties concerned. The Spanish Government is just running foul of one method which is unlikely to be continued. Neither the Government, the employers nor the trades unions have been happy with the result. As a sweetener to enforce wage guidelines laid down by decree for 1979 the Government agreed to review pay increases if inflation rose above 6.5 per cent in the first six months. The wording of the decree was pretty vague, and in the last resort the obligation to review wages was a moral one.

Not needed

Last year the Government had written in a similar provision which had not been needed. It was not needed because the Government was able to hold off a number of scheduled price increases until the second half of the year. One suspects it was on the understanding that the same sort of legerdemain could be practised that this form of indexation was thrown in again this year. No mechanism for review was specified and no one in the Government seriously thought inflation would be such as to oblige a revision.

But, of course, precisely this has occurred. In the first six months, even with an appreciating peseta, inflation is almost 1 per cent above projections—and the real brunt of increased energy costs has not yet begun to bite, let alone a whole series of price rises in services.

With inflation for the year now likely to be at least 3 per cent above original estimates and wage rises well below, the Government has been obliged to act. It has recommended that in the second half of the year wages be adjusted upwards 1.7 per cent. This figure is based on projected additional inflation in the final six months, but it apparently takes no account of what has occurred in the first six months. In addition the recommendation has been so hedged round with conditions that few will actually be entitled to this rise.

Public sector employees are excluded. So are workers in loss-making companies (many of the big employers). The more dynamic companies which got round the decreed wage ceiling cannot pay this rise—while a lot of skilled and semi-skilled workers will be excluded because their gross pay is considered too high.

The Government's motivation is obvious enough. When losing grip on inflation the last thing it wishes to countenance is a new round of substantial mid-year wage rises. Though this has been avoided, the proposals just put forward are scarcely a recipe to encourage industrial peace. The trades unions resented what they considered high-handed government behaviour in laying down the original wage guidelines by decree. The employers for that matter did not take kindly to the decree either. The result was three months of serious industrial strife before all the major company and sector wage agreements were negotiated—often with Goverment intervention.

Autumn strife

The Government has chosen to consult neither employers nor trades unions over its proposals in a take-it-or-leave-it attitude. Ultimately it must be counting on the weakness of the trades unions to enforce its own will. Perhaps this is a correct assessment but there is certainly going to be industrial strife in the autumn, with the slim wage topping-up as the central issue. The Communist-controlled union has already hinted as much. In other words Spain is likely to spend up to four or even five months in the year arguing about wages.

The inherent faults of such a loose half-year indexation have been belatedly recognised within the Administration. The trades unions have also come to realise that it runs against their interests. They would prefer, if the Government is interested in indexing wages, to have something equivalent to the Italian monthly sliding adjustment. But the employers reject this outright, so do Government officials. One suspects that next year the Government may opt for an old-fashioned trial of strength over wages (watching closely incidentally how Mrs. Thatcher fares in the UK).

Over the last decade Spaniards have come to take for granted that wages match or outpace inflation. This year for the first time purchasing power has declined, and this has come as quite a shock.

Rotting potatoes and unkept promises

AFTER six and a half years of arbitration and litigation the case of the Rotten Potatoes has been finally resolved in the court of Mr. Justice Robert Goff, the London High Court judge. The potatoes rotted in the hold of the Ciechocinek, a ship of the Polish Ocean Lines, and the charterer Dr. Fawzi R. Ismail, claimed damages amounting to some £21,000.

In the end both the charterer and the owners were out of pocket, having to share between them legal costs conservatively estimated at £15,000—this figure would be at least doubled had the bulk of the hearings taken place now—rather than six years ago. It is one of the many cases which make one think that it would be better to pay lawyers for keeping one out of courts.

The case had its beginnings in Alexandria in 1970 when a shipment of Egyptian potatoes was loaded on the Polish vessel. The destination was Boston, England. Most of the potatoes were kept in polythene-lined hessian bags—then a new type of packing—and the rest in boxes.

In the course of loading a dispute occurred between the Master of the ship and a brother of Dr. Fawzi who was acting as his agent in Alexandria while Dr. Fawzi carried on business in Germany. The Master of the ship did not want to load more than 1,000 tonnes as in his view the holds were not big enough to allow for proper ventilation of a larger quantity. He insisted on dunnage—planks of wood separating layers of the cargo to facilitate the access of air—but Dr. Fawzi's brother insisted that 1,400 tonnes should be loaded and that dunnage was unnecessary as the potatoes were packed in a way which allowed very tight stowage.

The Master of the vessel agreed to this only after Dr. Fawzi's brother promised that he would provide a surveyor's certificate that the tight stowage of 1,400 tonnes of potatoes was satisfactory, and in addition would give a guarantee in writing against any possible consequences of stowing the cargo in the way which the Master considered unsound.

This promise was not kept. Neither a surveyor's certificate nor a guarantee had been provided in writing at the time the ship set sail from Alexandria on April 14. The ship arrived at Boston a fortnight later and out of the 46,000 bags of potatoes, over 10,000 were rotten.

To a person with no more than a housewife's experience of storing potatoes, the case seems to be quite clear. The Master of the ship was right when he insisted on proper ventilation and Dr. Fawzi's brother and agent was wrong; and having forced the Master by pressure and false promises to load more potatoes than was sound practice, the charterer was surely in the wrong. In these circumstances even the possibility of claiming damages on the grounds of improper stowage might seem outrageous. This, however was not the view taken by Dr. Fawzi.

Dr. Fawzi claimed that the shipowners were in breach of clause 49 of the charterparty and, in particular, that there was no dunnage under the potatoes, that ventilation channels were inadequate and that the draft vents in the ship were so positioned that they did not provide adequate ventilation.

Surprisingly, the shipowners' first line of defence was not that the stowage had been carried out on the instructions of Dr. Fawzi's agent. Their main contention was that the damage was not caused by bad stowage but resulted from packing the potatoes in polythene-lined bags. As transpired during the arbitration proceedings which started in February 1973, the shipowners had quite a substantial interest in making this into a test case about the suitability of this new type of packing. There were up to 30 other disputes concerning damaged potato shipments pending at that time.

The arbitration became quite a big affair. It was entrusted to Mr. Barclay and Mr. Selby, two very experienced arbitrators. The shipowners called in three eminent experts: Captain Bryden, a cargo surveyor, Mr. Twiss, a leading expert on potato bacteriology and Dr. Suddaby who gave evidence on heat transfer and air circulation in the vessel's holds. Meanwhile the charterers called in two other experts and it seems that the arbitration was turned into a scientific symposium on the 73 different known diseases which can afflict potatoes and on the circulation of air in the holds of ships.

In the end, after 10 days of listening to the scientific evidence, the arbitrators cut the experts short and concluded that the damage was two-thirds due to bad stowage and one-third to the excessively high temperature of the potatoes (loaded under the burning Alexandria sun) combined with the effect of the polythene liners.

The arbitrators found also that Dr. Fawzi's brother acted as his agent in giving loading instructions but they held that, nevertheless, under clause 49 of the charterparty the responsibility for the stowage rested with the shipowners. They also rejected the owners' claim that by having given these instructions the charterers were prevented — estopped as the lawyers say—from insisting on their strictly legal rights under clause 49.

The shipowners, who were ordered to pay about £14,000 to the charterers, then appealed by means of the special case procedure to the High Court, but Mr. Justice Kerr upheld the award of the arbitrators on both points. The case was then taken to the Court of Appeal where Lord Denning, the Master of the Rolls, disagreed with the interpretation of Clause 49 and held that by having given the stowage directions through his brother. Dr. Fawzi had accepted responsibility for the consequences. The other two appeal judges, Lord Justice Ormerod and Lord Justice Shaw, agreed, but stressed that even if the stricter interpretation of Clause 49 had been accepted, the charterer would still be prevented from claiming a benefit from the strict legal rights provided by the clause because of his interference with the stowing. As so often, the Court of Appeal decision expressed what a fair-minded person would have found to be just had his mind not been confused by too much legal knowledge.

The case was sent back to the arbitrators who now had no choice but to reject the claim of Dr. Fawzi. This, however, was not the end of the story. Taking into account that two thirds of the hearings concerned potato disease and ventilation, and that on this issue the shipowners had lost two to one, the arbitrators concluded that the owners should pay two thirds of the costs of two thirds of the hearing. The remaining third of the hearings was taken up by the issue of stowage instructions which the shipowners won completely. For this third they were awarded all costs. Expressed in figures this meant that altogether the charterers should get four ninths and the owners five ninths of their costs.

The shipowners appealed to the High Court against the decision but Mr. Justice Goff refused to interfere. He rejected the proposition that a successful litigant should be ordered to pay costs only if it was proven that he had acted unreasonably. There may be cases when a party has acted perfectly reasonably but the Court will exercise quite properly its discretion to make him pay the costs of a particular issue in which he has been unsuccessful. And this, said the Judge, equally applies to awards of costs by arbitrators.

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

Buckland to beat Busting

RACING

BY DOMINIC WIGAN

GINISTRELLI (U.S.) duly won his debut in the Cliff Park Stakes at Yarmouth yesterday but few could have anticipated his starting price of 1-4. The American-bred two-year-old, a $370,000 yearling generally regarded as the most promising juvenile at Warren Place, which houses such smart youngsters as Marathon Gold, Cilium, Carlisle, and Sauvity, clearly has a bright future ahead of him.

Although he did not feature in the finish yesterday, Wolfe Cub is another we should hear a good deal more of. This bay colt by Apalachee out of Wolverida is considered one of Clive Brittain's best prospects. However, he is still on the backward side

This afternoon at Yarmouth, Henry Cecil, the most successful trainer on the course with 54 successes in the past 4½ years, can add to his tally through Buckland and Val de Gloire.

I particularly like the chance of Buckland who tackles a mile and three-quarters for the first time in the Caister Handicap. This handsome bay colt by Busted out of the Queensferry mare Pindari, had two lengths in hand of Ambler when winning over 1½ miles at Windsor last month. A still improving colt who will, I feel sure, make up into a Cup horse, Buckland looks one to bet on. I expect to see him followed at a respectful distance by Frankie Durr's course and distance winner Busting.

Val de Gloire, who recently on this course won his first and only race by six lengths, has scared away all but Jubilee Bill, Lazzaro and Ribo Charter from the Dickens Stakes. He should again have no problems.

On the South Coast, the event of the afternoon is the Brighton sprint handicap with £5,000 in added prize money Here Paul Cole, last year's successful trainer who sent out Hyver Hill to score in the hands of Geoff Baxter, will be trying to follow up with Tribal Eye. Baxter is again in the saddle. The combination looks strong, but I narrowly favour the Newmarket raider, Effect.

BRIGHTON

2.00—Pounentes
2.30—Siren Call
3.00—Effect
3.30—Woolcana
4.00—Tilting**
4.30—Luz Bay

YARMOUTH

3.15—Glenburnie
3.45—Buckland***
4.15—Val de Gloire*
4.45—Thielia

TV Radio

† Indicates programme in in black and white

BBC 1

6.40-7.55 am Open University (ultra high frequency only). 9.43 Rhubarb. 9.50 Jubilee Jackanory. †10.05 Felix the Cat. 10.10 Why Don't You . . . ? 10.35 Children of The Snow Country. 1.15 pm News. 1.30 Playboard. 2.30 Eisteddfod 79. 4.13 Regional News for England (except London). 4.15 Play School (as BBC 2, 11.00 am). 4.40 Scooby Doo. 5.00 Play Away. 5.35 The Wombles.
5.40 News (London and South
5.55 Nationwide
East only)
6.20 Top Sailing
6.55 Dr. Who
7.20 Top of The Pops
8.00 Citizen Smith
8.30 The Persuaders
9.00 News
9.25 The Duke
10.15 Person to Person
10.55 Glen Campbell:
11.45 Weather/Regional News

All Regions as BBC1 except at the following times:

Scotland—5.55-6.20 pm Reporting Scotland. 11.45 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Mickey Mouse Club. 9.25 Eisteddfod '79. 10.05-10.55 The Duke. 11.45 News and Weather for Wales.

Northern Ireland—4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich). Look North (Leeds, Manchester, Newcastle), Midlands Today (Birmingham), Points West (Bristol), South Today (Southampton). Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University
11.00 Play School
4.50 Open University
6.55 Classic Curling
7.25 Mid-Evening News
7.35 Landscapes of England
8.00 The Schools Prom
8.30 The Paper Chase
9.20 "Sabata."
11.15 Late News
11.20 Closedown

LONDON

9.30 am Naturally Scottish. 9.45 Writers' Workshop. 10.05 Paint Along With Nancy. 10.30 A Big Country. 10.55 Little House on The Prairie. 11.45 Mystery Island. 12.00 Animal Kwackers. 12.10 pm Once Upon A Time. 12.30 Emmerdale Farm. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Afternoon Plus at Home. 2.25 Film: "Over the Moon," starring Rex Harrison and Merle Oberon. 3.50 Quick on the Draw. 4.20 Project U.F.O. 5.15 The Squirrels.
5.45 News
6.00 Thames News
6.05 Star Gardens
6.35 Crossroads
7.00 Sapphire and Steel
7.30 This England
8.00 Quincy
9.00 Jack on The Box
9.30 Shelley
10.00 News
10.30 An Estate of The Nation
11.30 The Entertainers
12.00 What The Papers Say
12.15 am Close with Sydney Tafler.

IBA programmes are subject to interruption because of industrial action.

All IBA Regions as London except at the following times:

ANGLIA

10.35 am Spiderman. 11.00 Chopper Squad. 11.50 Cartoon Time. 1.25 pm Anglia News. 2.00 Houseparty. 4.20 The Beachcombers. 4.50 The Next Week Show. 5.15 Makin' It. 6.00 About Anglia. 6.20 Arena. 7.30 Thundercloud. 8.00 The Incredible Hulk. 11.30 S.W.A.T. 12.25 am Chapter and Verse.

ATV

10.30 am Spiderman. 10.50 Gardening Today. 11.15 Lucan. 1.20 pm ATV Newsdesk. 4.20 Jonny Quest. 4.50 Project U.F.O. 6.00 ATV Today. 7.30 Thundercloud. 8.00 Charlie's Angels. 11.30 Charles Aznavour in Concert.

BORDER

10.35 am Who's Afraid of O... 11.00 Cartoons. 11.05 Lucan... 1.20 pm Border News. 2.00 Houseparty... Adams. 5.15 Makin' It. 6.00 Lookaround Thursday. 7.30 Thundercloud. 8.00 Hawaii Five-O. 11.00 Devine Con... 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's on Where. 4.20 Story Hour. 6.00 Channel News. 6.10 Call It Macaroni. 8.00 Mrs. Columbo. 10.28 Channel Late News. 10.35 Sounds of Summer (Catherine Howe). 11.05 Movie Premiere: The Oregon Trail. 12.45 am Actualites et Projections.

GRAMPIAN

9.25 am First Thing. 10.30 The Story of Wine. 11.00 Tarzan. 1.20 pm Grampian News Headlines. 4.20 Little House on The Prairie. 5.... Bird. 5.40 Police Newsroom. 6.00 Grampian Today. 6.10 The ... Show. 8.00 The Incredible Hulk. ... The Masterbuilders. 12.00 Reflection. 12.05 am Grampian Late Night Headlines.

GRANADA

10.30 am Sesame Street. 11.25 The Lost Islands. 11.50 Cartoon. 1.20 pm Dick Tracy. 4.20 Story Hour. 5.10 Felix the Cat. 5.15 Crossroads. 6.00 Granada News. 6.05 Time Off. 6.30 What's On Next? 7.30 Thundercloud. 8.00 Richie Brockleman. 11.30 What The Papers Say. 11.50 The Practice.

HTV

10.35 am The Lost Islands. 11.00 Dodo The Space Kid. 11.05 Animated Classics. 11.50 Dick Tracy. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.20 Spiderman. 4.45 Bailey's Bird. 5.15 Johnine Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Cabbages and Kings. 7.30 Thundercloud. 8.00 Chips. 11.30 The Company Men.

HTV Cymru/Wales—As HTV General Service except: 10.35 am-12.00 Eisteddfod Genedlaethol 1979. 1.20-1.25 pm Penawdau Newyddion Y Dydd. 2.25-3.20 The Royal National Eisteddfod of Wales. 3.20-3.50 Sports Special. 4.45-5.20 "Shane," starring Alan Ladd (Part 2). 6.00-6.15 Y Dydd Yn Y Brifwyl. 10.30 Eisteddfod Genedlaethol 1979. 11.00-12.00 The Company Men.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.00-6.30 Report West.

SCOTTISH

10.30 am Friends Of Man. 10.50 Cartoon. 11.10 Space 1999. 1.25 pm News. 4.20 Logan's Run. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today—Summer Extra. 6.30 The Beverly Hillbillies. 7.30 Thundercloud. 8.00 Streets Of San Francisco. 11.30 Late Call. 11.35 Barney Miller.

SOUTHERN

10.30 am Lost Islands. 10.55 Little House On The Prairie. 11.45 Heles And Bachelor Cartoon. 1.20 pm Southern News. 2.00 Houseparty. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 Cabbages and Kings. 7.30 Thundercloud. 8.00 The Incredible Hulk. 11.30 Southern News Extra. 11.40 Police Surgeon. 12.10 am What The Papers Say.

TYNE TEES

9.25 am The Good Word followed by North East News. †10.30 Morning Movie: "The Private Life of Don Juan," starring Douglas Fairbanks Sr. and Merle Oberon. 1.20 pm North East News and Lookaround. 4.20 Beachcombers. 4.45 The Life and Times of Grizzly Adams. 6.00 Northern Life. 7.30 Thundercloud. 8.00 The Streets of San Francisco. 11.30 The New Avengers. 12.25 am Epilogue.

ULSTER

10.30 am Thursday Morning Movie: "Barnacle Bill," starring Alec Guinness. 1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 Dynomutt the Dog Wonder. 4.50 Bailey's Bird. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 You're Only Young Twice. 7.30 Thundercloud. 8.00 Westside Medical. 11.30 Pro-Celebrity Darts. 12.00 Bedtime.

WESTWARD

†10.30 am Feature Film: "Rembrandt," starring Charles Laughton. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 Story Hour. 6.00 Westward Diary. 8.00 Mrs. Columbo. 10.32 Westward Late News. 10.36 Sounds of Summer (Catherine Howe). 11.05 Movie Premiere: "The Oregon Trail," starring Rod Taylor (TV movie). 12.45 am Faith For Life. 12.50 West Country Weather.

YORKSHIRE

10.30 am Wheelie and the Chopper Bunch. 10.45 Sealab 2020. 11.10 The Nature of Things. 1.20 pm Calendar News. 4.20 Rocket Robin Hood. 4.45 The Life and Times of Grizzly Adams. 6.00 Calendar (Emley Moor and Belmont editions). 7.30 Thundercloud. 8.00 Hawaii Five-O. 11.30 Fantasy Island.

RADIO 1

(S) Stereophonic broadcast ‡ Medium wave

5.00 am As Radio 2. 6.00 Andy Peebles. 9.00 Simon Bates. 11.00 Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Peter Powell. 2.00 Tony Blackburn. 4.31 Kid Jensen. 7.00 Summer Soul. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young in Zimbabwe Rhodesia (S). 12.30 pm Waggoners' Walk. 12.45 Pete Murray's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The New Improved Show With Ten Legs. 10.30 Star Sound Extra. 11.02 Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 9.05 This Week's Composer: Shutz (S). 10.00 Music Group of London (S). 10.55 Purcell and the English Tradition (S). 11.40 BBC Northern Symphony ... Bristol Lunchtime Concert (S). 2.00 Alexander's Feast, Ode for St. Cecilia by Handel (S). 3.30 Aeolian String Quartet Concert, part 1 (S). 4.10 Interval Reading. 4.15 Concert, part 2. 4.50 Rudolf Petzold (S). 5.25 Homeward Bound (S). 5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 Pied Piper (S). 7.30 "I Never Killed A German," by Carey Harrison (S). 8.55 Music in Our Time (S). 9.45 Bernard Roberts piano recital (S). 11.05 Bach Cantatas (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.45 The Enchanted Places. 9.00 News. 9.05 Mid-week With Desmond Wilcox. 10.00 News. 10.05 Let's Get This Settled. 10.30 Daily Service. 10.45 Morning Story. 11.00 When Men and Mountains Meet (S). 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Quote . . . Unquote (S). 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Preview of Radio 4 ... 3.10 On Location. 3.35 Afternoon Theatre (S). 4.25 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1979 (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Proms 79, part 1: Bach, Bartok (S). 8.10 Flights of Fancy (S). 8.30 Proms 79, part 2: Mozart (S). 9.35 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Let's Talk About Me. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 The Unforgettables. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 7.00 Black Londoners. 8.00 Soul 79. 10.03 Late Night London. 12.00-5.00 am As Radio 2.

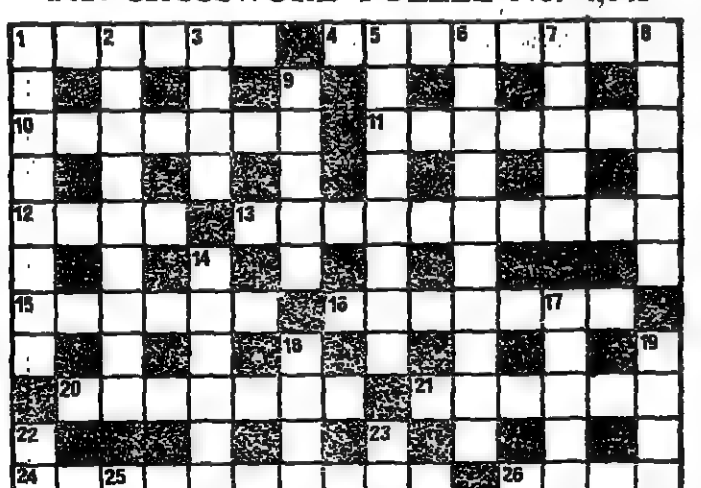
London Broadcasting

5.00 am Morning Music. 6.00 The AM Show. 10.00 Open Line. 1.00-8.00 pm LBC Reports with George Gale at 3.00. 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 The London Interview.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Mike Smith (S). 12.00 Dave Cash (S). 3.00 pm Peter Young (S). 7.00 Lord George Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Alan Freeman (S). 11.00 Mike Allen's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,043



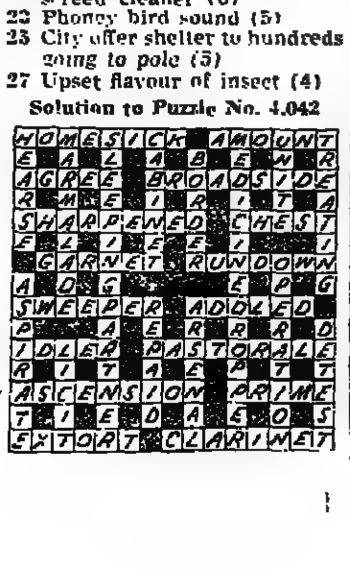
ACROSS

1 Heavenly body has nothing to reach . . . (4, 2)
4 . . . candidate who prints AA incorrectly (8)
10 Spare time for garland of course (7)
11 Quality of accountant joining third party member about . . . (7)
12 . . . to go wrong in cutting (4)
13 O for a beloved message (4, 6)
15 Promise to get a policy (6)
16 Engineers are not sure of fortification (7)
20 Terrible chap at home gets round you and me (7)
21 Girl on river makes hotel overflow (6)
24 Courting stoppage at work (7, 3)
26 Satire in second gear (4)
28 Penetrated with the Danish leader's recipe perhaps (7)
29 Go along with study before getting swindled (7)
30 Ringing about boy joining hill worker (8)
31 Mean to bite before end of day (6)

DOWN

1 Unfriendly card game in wintry spell (4, 4)
2 Most important thing is that mother elected to have children (4, 5)
3 Solicitor in West-end dismissed (4)
5 Hidden in south-east part of holiday island by dunderhead (8)
6 One will be tied up you may be sure (3, 2, 5)
7 Scope of morning piece (5)
8 The others put round alternative speculation (6)
9 Female writing about bird (5)
14 Foreign currency I examine for holy man (10)
17 Analysis of failure (9)
18 Weapon has key to a noise made by better man for Kipling (5, 3)
19 Tough somehow lay there (8)
22 Thief took self-starter and screen cleaner (6)
23 Phoney bird sound (5)
25 City offer shelter to hundreds going to pole (5)
27 Upset flavour of insect (4)

Solution to Puzzle No. 4,042



ENTERTAINMENT GUIDE

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هكذا من الأصل

THE ARTS

New York

Operas in concert by ANDREW PORTER

New York's "official" opera season is short: 30 weeks at the Met. and two 10-week seasons, in spring and autumn, at the City Opera. So the repertory is small, and concert performances take on an added importance. This season's were a mixed lot. William Weaver has reviewed the *Aroldo* and *Katya* done in Carnegie Hall by Eve Queler's Opera Orchestra of New York—which in past seasons has given us things like *I Lombardi*, *Gemma di Vergy*, *Francesca da Rimini*, and *Le Cid*, sung by important singers (Caballé, Scotto, Domingo, Carreras, etc.). Queler's third opera this year was Bellini's *I Capuleti e i Montecchi*, with Tatiana Troyanos as Romeo and Ashley Putnam as Juliet.

Troyanos was ardent and impressive, but persistent vibrato in her heroic tones and breathiness in her soft attacks were disturbing. Putnam: an immensely promising soprano—magnificent as Thea Musgrave's Mary, Queen of Scots, both brilliant and touching as Thomas's Ophelia—was able but too little varied in tone colour, and she shrieked some tasteless high notes into cadences. The Tybalt was a Swiss newcomer, Fausto Tenzi. Germanic in timbre and callow in style. Sarah Caldwel is the only conductor in my experience who has led a *Capuleti* exciting from start to finish. Queler, usually so vivid a conductor, didn't quite bring it off; but then neither did Maazel, Abbado, or Giuseppe Patanè in the Angel recording.

Earlier in the season, Queler brought to Carnegie a *Tristan* with players of the National Opera Orchestra Workshop that she directs in the summer, at the University of Maryland, to introduce young instrumentalists to the techniques and joys of playing for opera. From some 20 states, the players reassembled. Their contribution had the warmth, vitality, and commitment that are hallmarks of a good young orchestra. It was also accomplished: solos were expressive, the balance was fine, and Queler's handling of the huge drama was sure. Berit Lindholm, replacing Roberta Knie, was good to hear again. Her voice is bright and true, if not ample; it lacks the tones of tenderness but not those of command, anger, and passion. Herbert Becker, replacing Jess Thomas, was a stalwart but quite unimaginative Tristan.

The Friends of French Opera, conducted by Robert Lawrence, brought us *Sapho*, which is musically the least interesting Massenet opera I know, dependent on Bizet, Chaikovsky, and earlier, better Massenet. Not even Elisabeth Söderstrom's lustrous, intelligent account of the title role could do much for it. The student was Donald Grobe, looking younger and sounding fresher than he used to do 20 years ago.

The Detroit Symphony conducted by Antal Dorati, came to Carnegie with *Die ägyptische Helena*—not an ideal concert opera, since it needs all the help it can get from glamorous acting and captivating scenery. It was a *loud* performance: the octaves of the "Erde und Nacht, Mond und Meer" invocation became a demonstration that the Finnish tenor Matti Katsu could drown Gwyneth Jones on the stave, but that above it she could make even more noise than he could. Jones had some radiant, rapturous notes but also some harsh, ugly ones. Decca recorded the performance in Detroit; I hope that there the soloists and the conductor didn't push everything so hard. The original score, not the 1933 revision commonly heard, was used.

Solti and the Chicago Symphony brought *Fidelio* to Carnegie. It didn't seem to be a *necessary* performance for although Hildegard Behrens was quite wonderful in the title role, she had already sung it at the Met this season. Hans Sotin was an admirable Rocco—beautiful sound and firm characterisation. The performance had no other shining merits. Peter Hoffman was a dull, dry Florestan. Theo Adam, Sona Ghazarian, David Kübler, Gwynne Howell — Pizzaro, Marzelline, Jaquino, Fernando—were ordinary. And Solti's performance lacked charm, heroism, and spiritual grandeur.

Off-beat fare was provided by Vivaldi's *Farnace*, done by Newell Jenkins's Clarion Concerts. The plot is one of those in-and-out-and-round-about intrigues, concerned with dynastic difficulties in a Pontic kingdom. The fierce, vindictive ambition of Berenice, played with spirit by Elaine Bonazzi, gives it some continuity. I recall a very pretty nightingale air sweetly sung by D'Anna Fortunato, a capital aria for Pharnaces on *Four Seasons* material; and an excellent simile aria. It's not on the level of *L'Olimpiade*, *Tito Manlio*, or *Orlando*, the recorded operas the Vivaldi tercentenary year brought us—or, at any rate, in this performance it didn't sound it. I Virtuosi di Roma under Renato Fasano came to town with "Vivaldi's best opera," the oratorio *Juditha Triumphans*, abridged (all arias shorn to A-B-ritornello only), but distinguished by fluent, eloquent singing from Carmen Gonzales in the title role and Nucci Condo as Bagoas.

The Federal Music Society is a band that specialises in music of Colonial and Federal times, trying to produce the right sounds with the right forces. Its historical wind instruments make a delightful noise when they are played in tune—but they are often played horribly out of tune. The Society gave a concert performance of *The Duenna* (Covent Garden 1755, Jamaica 1779, New York 1786), words by Sheridan, music by the Linleys and others. And again the extraordinary success the piece once enjoyed seemed to me unjustified; there are several ballad operas of the time with prettier tunes and funnier plots.

A conductor who tended to reduce all tempi and dynamics to moderato and *mf*, and all rhythms to a plod, didn't help. Nor did Alice Tully Hall, which is visually dull and acoustically dead. (*Farnace* was also done there). Town Hall, where Mary Garden, Lotte Lehmann, and Elisabeth Schwarzkopf, Kreisler and Heifetz, Paderewski and Schnabel, Bartók and Strauss and Stravinsky used to appear, is far more pleasing to both ear and eye. But, being in the Times Square area of "massage parlors," "transient" hotels, and sinister shadows, it's not much used now. However, a demolition threat has been averted; there's a move to stop the heart of New York from rotting away altogether; and Town Hall's day should come again.

An up-beat ending. The concert performance in Carnegie of Meyerbeer's *Il crociato in Egitto*, put on by the Sacred Music Society, was a highlight of the season. Felicity Palmer made her New York opera début as the Crusader, taking over at short notice from Frederica von Stade, who suddenly cancelled. Bold but inspired casting. This Belinda, Pamina, and Elvira suddenly revealed herself as a potential dramatic soprano, one who may in time follow the Lilli Lehmann path to Norma and Isolde while continuing to sing Violetta, Fiordiligi, and the Handel heroines. She had range, power, flexibility, and the ring of bright metal in her timbre; there was dramatic force and emotional beauty in her phrasing.

Yvonne Kenny made her New York début as Palmide. Her warm, limpid soprano, fluent, even, and malleable, won all hearts. In duet, Palmer and Kenny sang runs, graces, and cadenzas more sweetly tuned than those of any Norma/Adalgisa pair before the public. As Adrian, Rockwell Blake showed himself to be the wide-ranging, high-flying, heroic-coloratura tenor we have been waiting for since the Ottocento revival began. The role reaches from bass G to high D; Blake compassed it all and for good measure threw in a sustained high E.

Randolph Mickelson, the artistic director of the Society, does nothing by halves. The smaller roles were powerfully cast—Justino Diaz as Aladdin, James Atherton as Osmin. The edition was carefully prepared and included more music than the London performance seven years ago. An orchestra of 60 (heavily bassed, not top-heavy in the modern way) and a military band of 40 (borrowed from the West Point Military Academy, and playing and drumming with a military snap to contrast with the sound of the classical orchestra) produced the kind of sounds Meyerbeer must have had in mind. The secco recitatives were accompanied on an early-19th-century piano, and that, too, was authentic and apt.

Gianfranco Masini, conducting, brought excitement, delicacy, and an excellent sense of style to the music. One had no difficulty in understanding the contemporary triumph of this work in city after city.


Karen Kain and Frank Augustyn in Kettentanz

Covent Garden

Jago and Schaufuss by CLEMENT CRISP

In a kinder world it might be possible to gloss over some of the activities in Tuesday's triple bill by the National Ballet of Canada, and praise the good things with no backward glance at the less happy moments. The good things were good indeed: a pretty and ingratiating performance of *Kettentanz* closed the evening, and in the opening *Bayaderka* Mary Jago and Peter Schaufuss showed how things should ideally be all the way through the production.

Alas, the production itself is a less than compelling staging by Yevgeny Valukin of the Bolshoy Ballet, further minimised by a lush re-orchestration of Minkus's not inconsiderable score that clouds the issue and muddies the texture. The Shades were dutiful in behaviour, but never seemed that single and irresistible force of classic rectitude that they should appear at all times.

But the Nikiya was Mary Jago, giving a proper expansiveness to her dances, very pure in stating the choreography, phrasing sweetly, and looking at all times like a ballerina aware of the emotional world that the Bayadère inhabits: in sum a true, poetic interpretation.

Peter Schaufuss as Solor brings the same sense of rightness to his reading of the role—though he must acquire a Kirov-style costume instead of the gold lamé pantaloons that suggest he is in *Le Corsaire*. In matter of bravura dancing he is sensational: impeccable pirouettes, a cascade of double *assemblés en tournant* pouring out in a shining stream of energy, and additional high-cut leaps that may not be textually pure but convey the excitement of grand virtuosity at its most easy and audacious. Stunning dancing.

About Ann Ditchburn's *Mad Shadows* I feel that, like many local products, it does not travel at all well. Based upon a French Canadian novel, it has a narrative so lurid that it could keep several television soap-operas bubbling for weeks. It goes much, much too far, and its flavour can be sensed from a cast that contains "Louise, an aging narcissist," her mentally retarded nine-year-old son, whom I think gets drunk, and who certainly uses a horse-whip—though not to avenge his mother's honour after she has been seduced by an admirer with co-respondent shoes and a nasty temper. Add a teen-age daughter, her blind boy-friend, and a little old lady in black who gives the girl a knife with which she murders her mother's admirer, and you have the ingredients of a tale that is told with vehemen ce and deadly earnestness.

The cast work their emotional fingers to the bone; there is a score that should accompany a soap-opera, many set changes and copious use of gauzes. Oh dear.

Coliseum

The Valkyrie by MAX LOPPERT

Tuesday's *Valkyrie*, though it shared with *The Rhinegold* the previous evening the virtues of sanity and sobriety, revealed more clearly Charles Groves' deficiencies as a Wagner conductor. The second part of *The Ring* is the richest and fullest in depiction of human emotions; the debate of mighty issues is deepened by profound and glorious sympathy for its principal participants. Emotional profundity was conspicuously lacking in this account of Act 1, a long haul indeed when taken at tempi of Goodall-like breadth without the all-embracing Goodall vision to underpin them. The measured tread and tidily surveyed playing aroused hopes of a later surge, a tide of spring radiance that was never forthcoming, and in the love music one started to regret the things absent from the performance, rather than one admired the things present therein.

It was also uncomfortably easy to notice the effect, on the phrasing span of two such admirable Wagner singers as Alberto Remedios (Siegmund) and Elizabeth Connell (Sieglinde), of slowness without inner sustenance of rhythmic tautness. Both coped remarkably well—the tenor especially, in view of the indisposition that had been pleaded for him before curtain rise; the tone stayed sweet and fresh almost throughout the performance. But breaths had to be snatched, phrases anguarly broken, and strenuous verbal emphases found to instil rhythm into rhythmless pronouncements. ("SIEMUND/the WALSUNG/here you SEE!/ As BRIDE-gift he brings you/this SWORD".) Miss Connell is new to Sieglinde; wonders are promised by the amplitude of her mezzo-soprano and its ability to compass the part without stint and with passages of real exaltation, provided that her acting is speedily divested of many embarrassing and immaturely "interpretative" touches. Aage Haugland's Hunding, with its dark magnificence of tone and resolute economy of gesture, provides a model worth following.

The second act was a patchwork—in some parts the drama seemed to take hold, in others it seemed to lose grip. Norman Bailey's Wotan started under the vocal cloud that had been noted the previous evening; Anna Green's Brünnhilde, confident and secure, was mostly unbeautiful of sound and a little too horsy of manner; Katherine Pring was a effortful Fricka. But an excellent cohort of warrior maidens (among whom the power and purity of Angela Bostock's Gerhilde was particularly impressive) put life into the third act, a life which was sustained to the end. The tone began to flow in Wotan's Farewell; Mr. Bailey was again his former self, at once ruggedly human and credibly god-like.

Though it may be a little late in the day to comment on the appearance of a *Ring* that has proved its worth many times over, the unevenness of this performance drew attention to the unevenness of the visual conception. In *The Valkyrie* alone it notches low and high points widely separated from each other: Hunding's hut is horribly suburban, horridly unpoetic, and more graceless with the "helles Licht" of spring radiance, here a queasy green illumination, than without it; whereas the imagery of the close—rock, smoke, fire, Brünnhilde asleep on high, Wotan majestically in command of the scene—is indelible, unforgettably and quintessentially Wagnerian.

Gaskill returns to Royal Court

On September 5 the Royal Court Theatre in London presents the world premiere of Nicholas Wright's *The Gorky Brigade* directed by William Gaskill, designed by Eamon D'Arcy, with costumes designed by Pippy Bradshaw and lighting by Andy Phillips.

This play marks William Gaskill's return to the theatre where he spent his most creative years. He joined the English Stage Company in 1957 and became its second artistic director in 1965. His productions at the Court include: *Epitaph for George Dillon*, *One Way Pendulum*, *Macbeth*, *Three Sisters*, *Lear* and *The Sea*.

Theatre Royal, Windsor

Sailor, Beware! by MICHAEL COVENEY

There is a good case to be made nowadays for the suspicion that Philip King and Falkland Cary were the best writers of English popular comedy between Ben Travers and Alan Ayckbourn. This evergreen piece hit London in 1955, making Peggy Mount a star overnight and running for three years. Its status as a repertory stalwart by no means diminishes its inherent qualities, which are of construction, solid character portrayal and deliciously fleet-footed dialogue.

The scene is a living room in "a small inland town," where the gargantuan Emma Hornett presides over a down-trodden, ferret-keeping husband, a highly strung sister nursing "the great sorrow" of never having been married, and a daughter about to join forces with a sailor. The sailor, Albert Tufnell, arrives with a virginal side-kick ("I have never done anyone damage in my life") who is paired off with Emma's flighty niece, Daphne Pink. After sharing a bibulous stag night with Mr. Hornett, the jolly tars bed down for the night on a convertible sofa in a scene of hilarious sexual ambiguity. Young Shirley supposes that Albert will be thinking of her, to which the reply, as he snuggles uncomfortably against his friend, is "I hope to keep my imagination well under control."

The Greenwich Theatre's splendid revival last year of Mr. King's *See How They Run* revealed that play to be a spellbinding, fantastical farce. Here, the development of incident is less outrageous, but no less assured or amusing. Hugh Goldie's solid production misses many of the laughs, and Stella Moray as Emma does not possess the devastating presence the part requires, but otherwise the casting is impeccable. Roy Finn and Ian Masters could not be bettered as the sailors, John Rutland is excellent as the worm of a husband straight out of Donald McGill, and Marcia Ashton is splendidly obsequious as the sisterly skivvy.

Once the National have done their duty by Maugham, Priestley and, presumably, Rattigan, they would be doing the public a real service by having a look at King and Cary. They deserve better than the relative oblivion of village halls and seaside piers, and Windsor's revival of this hugely enjoyable and popular comedy could pave the way.


Donald Sinden

Leonard Burt

Royal Shakespeare Theatre

Othello by B. A. YOUNG

The bustle of campaigning activity lights up the beginning of this exciting production. Othello may be having difficulties with his staff, yet he is fighting the Turks, or, having beaten them with the help of a convenient tempest, is still busy *fortifying* Cyprus against *any* renewal of hostilities. Pamela Howard's set never suggests either Venice or Cyprus; yet by the insertion of telling detail against the pivoted bronze screens that form a traverse across the back of the stage, a single lion-topped arch in the Duke's palace, for instance, she keeps us in a military atmosphere. At the Duke's assembly, Brabantio's complaint is merely an interruption in the strategy. In the scene where Iago first implants the seed of jealousy in Othello's mind they sit at separate tables in an operations room crammed with maps and manuals.

Desdemona, always a push-over for military chat, is well fitted with such a world, for Suzanne Bertish has put a touch of Joan of Arc into her performance. She even wears a soldier's uniform for her landing on Cyprus on D Day. This is an outstanding performance, noble to see, noble to hear, always credible in her difficult situations.

I cannot, alas, say the same of Donald Sinden's very light brown Othello, who might have strayed into this working world from a stained-glass window. If figures in stained glass could speak, they would speak as he does — self-conscious oration, barely distinguishing "Hair-breadth 'scapes i' the imminent deadly breach" from "Soft you, a word or two before I go" as long as the vowels are well rounded and the consonants sharply cut. When, having fallen to his knees, he told Iago that his bloody thoughts, with violent pace, would ne'er look back, his passion raised the house to titters. It was brave of Mr. Sinden to try this part, but he cannot chalk it up among his successes, as he did Lear.

When the campaigning dies away and the plotting takes over, the initial excitement dies away too, though Ronald Eyre, the director, keeps violence in the mixture. Othello pulls all the dirty sheets out of a laundry basket to examine them for tell-tale stains. Desdemona, having been dragged off her bed by her furious husband, has to be dragged on again to be strangled —asphyxiated, actually, with a pillow. And throughout the evening there is the splendid playing of Bob Peck as Iago. Mr. Peck draws Iago for us perfectly in his first encounter in Scene One with John McEnery's comically pitiful Rodrigo — cynical, ambitious, ruthless. He has become an ensign rather than an ancient, incidentally, a sensible change. A man like this is bound to overcome a gentlemanly Cassio such as James Laurenson gives us; but Cassio's last appearance, walking with a stick after Rodrigo's absurd assault, suggests an innate capacity for command.

Among the smaller parts, there an extremely good Emilia by Susan Tracy and a dignified Duke by Willoughby Goddard whom you might expect to find painted on some wall of the Doge's Palace.

Atherton appointed

The Royal Liverpool Philharmonic Society has appointed David Atherton, 35, founder of the London Sinfonietta, principal conductor and artistic adviser from September 1 next year.

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Thursday August 9 1979

Oil benefits re-counted

"THE NORTH SEA . . . is expected to contribute very much more to the balance of payments than to the national income. *This bizarre sentence* comes from the Treasury's *revised study of the value of* the North Sea to the UK *economy*, and *is worth close* study. The misconceptions *enbalmed in it seem to repre*sent Treasury habits of thinking. *In the last five years*, according to the figures in the analysis, the North Sea has added 2 per cent (£3.8bn) to national income, and a "benefit" amounting this year to no less than £8.2bn to the balance of payments. In the same period growth has been sluggish, and the current account weak. The analysis and the performance may be connected.

Explanation

On the face of it, the statement that any accretion of real wealth can contribute more to the balance of payments than to national income is absurd. It appears to be equivalent to the statement that a new order will add more to a company's profit than it will to sales revenue—in this case, more than twice as much. *However*, as can be relied upon from this source, the figures do add up. The apparent discrepancy is explained in two ways.

First, the Treasury adds back foreign capital inflows which go to pay for imported equipment for the North Sea to get a net impact on the balance of payments. This is a rather odd concept of "benefit," since it simply means that the extra imports associated with the North Sea do not have to be financed by exports: it suggests a weak current account, not a strong one.

Valuation

The second discrepancy arises over the valuation of North Sea gas. In the national income accounts, this gas is valued at the price actually paid for it. In the balance of payments calculation, the Treasury has valued the imports of gas oil which would be necessary if we had no North Sea gas. In this case the balance of payments calculation is the more realistic: the national income accounts understate the real value of gas, since we buy it at an artificially low price.

However, in a deeper sense the Treasury calculation is very *misleading*. The statement that The North Sea is contributing £8.2bn to the balance of payments implies that in the absence of the North Sea the balance would be that much worse. *In the real world*, of course, nothing of the kind *would be possible*. We would be much poorer, but would have to pay *our* way.

In fact, of course, a little analysis of the idea of balance of payments "benefit" shows that it reflects the crudest errors of protectionism. It neglects the fact that any form of production generates incomes, and that those incomes get spent. The balance of payments is determined by the balance between expenditure and output: it measures net national borrowing from overseas. Altering that balance can only be achieved by national decisions about borrowing—in other words, fiscal and monetary policy. These decisions *may not be faced by a Govern*ment which is advised that "benefits" are *welling up out of* the sea.

Not permanent

The sad thing about such calculations is that they distract attention from the real issues posed by the North Sea. It is *of* course a valuable source of real income: and if it were a permanent source, it might be enough to say that thanks to the North Sea, we can afford £8.2bn of other imports without having to make any corresponding exports. In other words, the fact that the non-oil balance of payments is £8.2bn worse than it would otherwise be would not concern us.

However, the North Sea is not a *permanent addition to our* income. We will be self-sufficient *in oil for* a decade or a little more, and enjoy substantial *income* for much *longer*; but the oil will run out. That is *why it is rational* to worry about our deficit and our non-oil performance.

The challenge to policy is to ensure that part at least of our North Sea wealth is accumulated as capital for an oil-less future, rather than simply consumed or still worse used, as at present, as security for further debt. This demands both management and diplomacy—for our trading partners may share the delusion that the North Sea is such a "benefit" that we should, in good neighbourliness, be spendthrift. But the first step is to recognise that the North Sea is not only valuable, but that one day we will have to live without it.

OPEC's help is needed

THERE IS a striking contrast between the behaviour of the OPEC states towards the non-oil-producing developing countries after the 1973-74 oil price rise and the actions they have taken this year, during which oil prices have already gone up by more than 60 per cent. After the 1973-74 increase, when prices quadrupled, the OPEC states quickly pledged large scale financial assistance to the developing countries: several new development funds were created by OPEC countries; OPEC countries made big contributions to the capital of the IMF and the World Bank; and they took a prominent part in the so-called North-South dialogue that ensued with the industrial countries.

No discounts

So far this year, however, there have been no public commitments of additional OPEC aid to developing countries. Only one state, Iraq, has publicly produced a scheme for compensating its poorer customers for surcharges on the price of its oil imposed between June 1 and the end of the year (by means of interest free loans); OPEC itself has done no more than try to prevent oil companies charging developing countries more than the official OPEC price for crude. As in 1973-74 there has been no question of OPEC selling oil at a discount to poorer countries. The OPEC countries have *ceased to show much interest in* the North-South dialogue.

Now *it emerges* that OPEC's aid disbursements last year dropped by 35 per cent from the average of $5.4bn they stood at for the previous three years. There are two specific explanations for this: Iran's aid programme effectively petered out in the second half of last year as the revolution got underway; and there was no repetition of the $2bn payment to Egypt in 1977 by the four main Arab aid givers.

OPEC's aid disbursement of *$3.7bn in 1978 is still impressive* in terms of aid disbursed against gross national *product*, especially when compared with the performance of the industrial countries, which handed out *$18.3bn in 1978. But the bulk* of OPEC aid goes to Arab front-line states and one or two near neighbours of the rich states of *the Arabian peninsula. Though* very big sums of aid have been specifically committed to projects in other developing countries, *disbursements have been* comparatively small because of the problem of identifying and implementing projects: *direct balance of payments help to* poorer countries, never very big, has steadily dwindled.

Being members of the Group of 77 developing countries themselves, and having undeniable development needs of their own, the OPEC states have argued that the real responsibility for assisting non-oil producing states lies with the industrialised world. They believe that their continuing and increasingly sophisticated system of project aid is the best way developing countries can ultimately strengthen their economies, and that direct balance of payments support is too difficult to monitor.

Massive problems

These arguments would be easier to sustain if the OPEC countries were raising the oil price in a measured and orderly way. This year's increases, in their steepness and in their suddenness, will cause massive problems for developing countries which will be compounded *by the recession now* facing the industrial states. The *non-oil developing countries'* current account payments *deficit* has been estimated at $58bn for next year compared with $35bn in 1978.

While accepting their own obligation towards the developing countries the U.S. and *other western states have been* arguing that as certain developing *countries—both those* in OPEC and the new industrial *states like Brazil and South* Korea—become richer so they must be prepared to shoulder a greater part of the burden for helping the poorer nations. There have already been rumblings of discontent from some developing countries against OPEC, voiced behind the scenes at the recent UNCTAD *and Organisation of African* Unity meetings. Unless OPEC *gives them a more sympathetic* hearing it risks losing their support.

Australia's plague of damaging strikes

By CHARLES SMITH

A FEW years ago Australian businessmen used to blame Britain for passing on the infectious economic virus known as the "English Disease." Now it is beginning to look as if Australian Disease is far more lethal than anything that ever came out of Britain.

Australia has experienced a rash of headline-gaining industrial and public service labour disputes this summer making it, at least in terms of the amount of newspaper column inches devoted to the subject, the most strife-ridden country in the developed world as far as industrial relations are concerned.

In terms of the number of workdays lost through strikes Australia's medium-term record is better than that of the U.S., Canada or Italy and only a shade worse than Britain's. Average losses from strikes during the three years from 1976 to 1978 came to 1.8m working days, or slightly less than one-third of a day per worker per year. What makes the situation serious is the way in which strikes have disrupted essential areas of the economy—whether public services or export industries. Examples of the former are the recent stoppages at Australia Post, and of the federal Telecom system. A classic instance of a stoppage in the export sector is the ten-*week strike at the Hamersley* iron ore mine in Western Australia which lost the country more than A$100m (£50m) of export earnings.

Disturbing trend

The other point is that—even according to the statistics—strikes have been getting much more frequent and far more damaging in recent months. There was a 50 per cent rise in the number of days lost through industrial action in the seven months ending last February (compared with one year earlier). Since then strikes have increased even more.

Stoppages in the public service (including those by civil servants working for the Federal Government in Canberra) became so numerous by mid-July that the Government took the drastic action of "proclaiming" a special law, the Commonwealth Employees (Employment Provisions) Act, authorising the suspension or ultimate sacking of strikers and the "standing down" (ie temporary suspension) of government employees who do not go on strike but whose work is affected by stoppages of colleagues.

The main issue in nearly all the recent stoppages has been wages, not management policies or demarcation disputes. This indicates, say the experts, that *organised labour is losing faith* in the Government's ability to beat inflation and in the effectiveness of the wage indexation *system — a system of gearing* wage rises to recent increases *in the cost of living index which is presided over by the* (theoretically) non-partisan Australian Conciliation and Arbitration Commission.

The wage indexation system was introduced in April 1975 as one of a number of measures designed to end the wage chaos experienced by Australia in 1974, when work stoppages hit *a record 6.3m man-days* and wages rose by over 25 per cent. Under the system the commission sets guidelines every six *months which employers and* unions are expected—but not legally obliged—to follow as the basis for industry wage settlements. The guidelines (which may or may not award the full amount of recent increases in the cost of living) were followed quite faithfully in the early days of the system with the result that, between 1975 and 1978, Australia's labour costs recovered much of the international competitive edge they had lost during the 1974 wage "explosion". In the past year or so, however, the system has begun to come unstuck as actual wage settlements have departed more and more widely from the arbitration commission's guidelines.

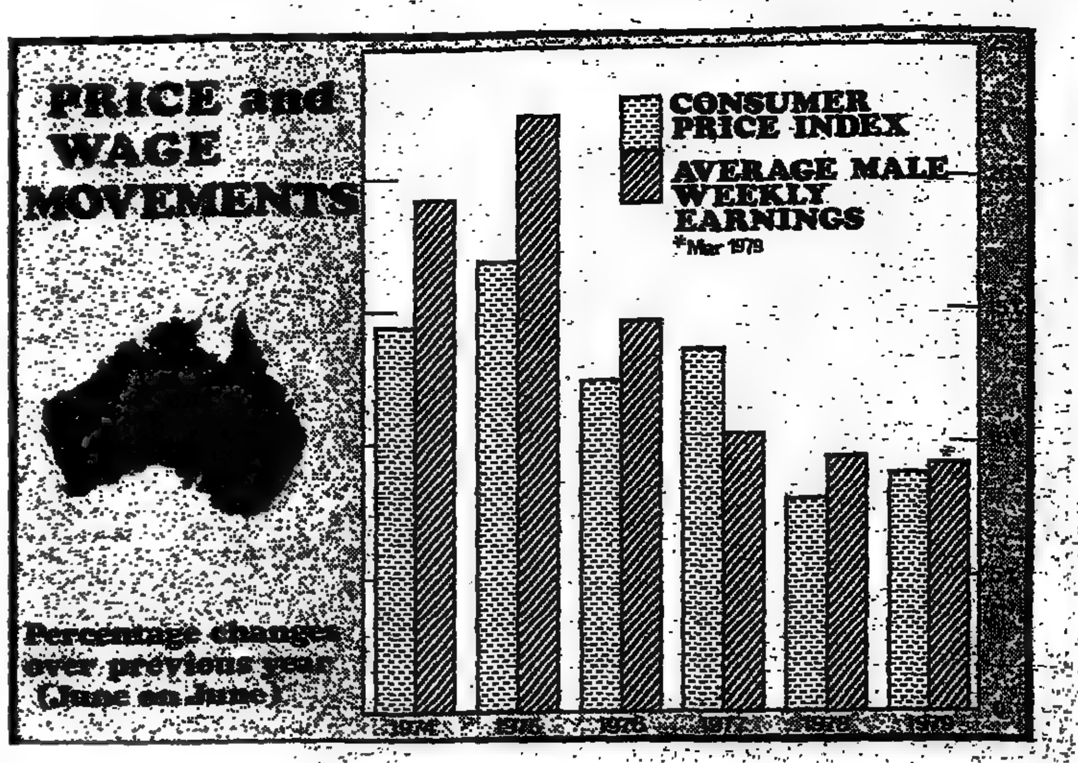
The commission *noted this* fact in June when it announced *its latest award setting wage* increases for the second half of 1979 at 3.2 per cent or 80 per cent of the cost of living increase recorded between October 1978 and March 1979. Because of increasingly wide departures from the guidelines the commission said it had "come to the brink" of deciding to abolish the indexation system.

In claiming that inflation could be about to start eating into the real value of their wage increases the unions are certainly not exaggerating. The official figure for the year-to-year increase in the cost of living at the end of June was 8.8 per cent, almost the same as the previous year's figure, and contrasting with the Government's earlier target of cutting back price increases to 5 per cent by mid-1979. The factors which kept prices rising, after three years in which the Government managed to halve the pre-1975 rate of inflation, include a 70 per cent rise in meat prices—reflecting better conditions in world markets which have incidentally helped Australian exports—and higher domestic oil prices (resulting from a Government decision last summer to move domestic prices abruptly up to international levels).

The year-to-year rate of increase in the cost of living index is expected to show a sharp rise at the end of this year as the crude oil price increases decided on by OPEC at its July meeting work their way through to the domestic oil products market. The December cost of living index will be published just after the commission announces its next guideline award (for the first six months of 1980). Given the anticipated rise in the cost of living, however, the commission's award will probably have to be *on* the generous side if it is to have any chance of acceptance by the unions.

Leonard Burt

MALCOLM FRASER
Votes in the labour issue



A remarkable feature of the current trial of strength over wage rates is that the bargaining power of the unions has not been affected visibly by unemployment levels. Unemployment in Australia is currently running at just over 6 per cent of the registered labour force, which is the highest since the recession of the 1930s and contrasts with unemployment levels of 2 per cent or less that prevailed up to 1974.

Unskilled workers and young people (whose unemployment rate is an estimated 17 per cent) are a drag on the market, but skilled workers are still in short supply and people *performing essential tasks*, such as telecom operators, dockworkers and even airline pilots and doctors, have become adept *in the recent past* in using their positions to extract wage increases.

On site tactics

In essentially non-skilled sectors such as the construction industry, union leaders have managed to develop tactics which have forced employers to make concessions, even where labour is theoretically in considerable surplus. A case in point is the tactic of halting work on half-completed concrete pours used by the main construction workers' union to force employers into a two-year wage settlement that is apparently well outside the Arbitration Commissioners' guidelines.

Wage increases granted to skilled (or particularly aggressive) groups of workers feed through to the overall increases in the cost-of-living index, which means that they help to provide the basis for further wage indexation awards by the Arbitration Commission. Another way in which the system produces a "jacking up" effect on wage levels is via the interaction of wage awards made by the Federal Arbitration Commission which sets nationwide guidelines — and the state arbitration commissions, whose job is to arbitrate in wage disputes confined to the territory *of one of Australia's six states.*

Since some disputes in a given industry, for example power generation in New South Wales, *are settled* at state level while others are eligible for settle*ment by the Federal Arbitra*tion Commission, there tends to be a leap-frogging process between state and federal awards.

Under the Labor Party *Government of 1972-1975* an attempt was made to solve this *problem by passing a law which* allowed unions registered with *state arbitration commissions* to be registered with the *Federal Commission* as well (and vice versa). The law is *still on the statute books* but has remained a dead letter since a majority of state governments have failed to pass their own legislation *on the subject.*

A final reason for the aggressiveness with which Australian unions press wage claims is the multiplicity of unions within any one industry or undertaking. Australia follows the example of Britain in operating the craft union system (described by a prominent Labor ex-Minister in a recent interview as "poison").

Union fragmentation, however, seems to have progressed even further than in the UK to the point where the Australian National Shipping line has 12 individual unions; Qantas, the national airline, has 22; and the national telecom system (scene of a particularly damaging strike earlier this summer) has 27. The Hamersley iron ore mining concern has a relatively modest nine unions.

In the ports, the hardline Waterside Workers' Federation *used to include a majority of* dockworkers in its membership, but is now competing, because of technological advances such *as containerisation* with some 10 to 12 other unions. The *attempt of the federation to re*establish itself as the exclusive *organising body for dock*workers led to a strike last *month* at the Western Australian port of Fremantle causing an *eight-day national stoppage* which ended yesterday.

Loss of support

The weak point in the union's current wage offensive is the effect it seems to be producing on public opinion. Although well over half of Australian workers are unionised, the evidence that is available suggests that hard-line unions that disrupt essential public services are losing rather than gaining popular support. This has been implicitly admitted by spokesmen for the Opposition Australian Labor Party, which sees the strike issue as one which could lose votes for the party at the next election — due by December, 1980, at the latest.

The same point seems to have *occurred to the ruling Austra*lian Liberal Party for whom the *union issue is a possible life*line.

The Liberal Party has been trailing badly in recent public opinion polls, with its leader, Mr. Malcolm Fraser, trailing even more. Party managers evidently feel that they may be able to recover some lost support if they can convince the public that the Government is doing a good job in handling labour issues and if organised labour can be shown up as "disruptive." Mr. Fraser himself in a recent interview stressed this aspect when he said he was "certain" that some Australian unions were using their power for political rather than purely economic ends.

Mr. Fraser referred in particular to the powerful Metal Workers' Union (active in the Hamersley dispute) which he described as "Communist dominated in much of its leadership and with an income of anything up to A$10m a year."

In hitting out at the unions in general and at Communist union leaders in particular, Mr. Fraser runs the risk of being accused of "kicking the Commie can" (to quote a local piece of political jargon). But for the time being at least the Party seems to feel there are more potential votes to be gained by dramatising the issue than by playing it down.

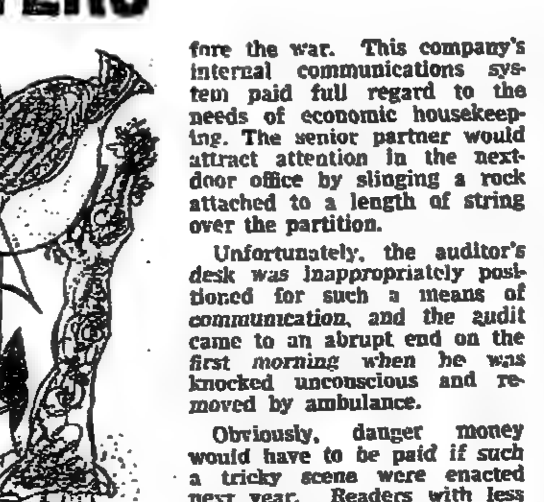
Private businessmen who have to work with organised labour *would probably rather the Gov*ernment kept out of purely private wage *disputes* even when, as in the case of Hamersley, they are *disputes* that can cost the economy hundreds of millions of dollars. Their chances of being left to sort out their problems on their own, however, look slim in a situation where more and more of what happens on the Australian labour scene is beginning to look like an out-and-out confrontation between the government and organised labour.

MEN AND MATTERS

Bel canto off the shelf

Richard Crane *says he often* cursed his natural soprano voice in the 23 years he has been working for a Surrey-based wire-mesh *shelving com*pany. "But now I look on it as a gift."

He has just resigned as deputy chairman and managing director of Change Wares at the age of 45 to pursue a singing career. His voice has a range of four octaves and allows him to cover all the castrati roles in early operas such as Handel's, written when women were barred from the stage.



Crane, who has two *grown-up* children, is taking a three-year degree course *at London* University in both musical and *religious studies*. He only *fully* realised the nature of his voice *seven or eight years ago*, at a music festival in Woking. Since then he has been training hard.

One of the people who has helped him, Professor Fabian Smith of the Guildhall School *of Music, told me Crane's* range was extremely rare for a *man and that he* sung very musically as well.

"It's a limited field," he said. "However, since the unusual attracts a good deal of publicity nowadays I imagine he could quite easily *develop* a successful career in concert *recitals and oratorio.*"

Meuse monster

The Loch Ness monster has a potential rival—Belgium's runaway crocodile. The elusive man-eater is being hunted in the River Meuse by local police, with TV crews in close attendance. A disenchanted pet-shop owner is said to have set the crocodile free and holiday-makers along the river are being warned to be on their guard.

Astonishment was created when TV showed some dramatic footage of a gigantic crocodile; it was hurriedly explained after the programme that this was not *the* croc, but another one, filmed in Africa.

The police suggest that the coldness of the Meuse may already have killed it. Ecologists are taking the opportunity to suggest that industrial waste must have poisoned it by now. Yet another view is that the crocodile is basking happily in the warm waters near the riverside town of Huy, where the huge Tihange nuclear power station uses the waters of the *Meuse as a coolant.*

Head for figures

I seemed to have tapped a pent-up accumulation of wry—not to say incomprehensible—accounting humour. Letters have cascaded into my office in response to last week's competition, which was designed to provide actors at next year's Institute of Chartered Accountants' centenary with something to get their teeth into.

An Essex accountant *suggests* that one of the incidents worthy of inclusion would be the experience of an auditor at a City commodity merchant just before the war. This company's internal communications system paid full regard to the needs of economic housekeeping. The senior partner would attract attention in the next-door office by slinging a rock attached to a length of string over the partition.

Unfortunately, the auditor's *desk was* inappropriately positioned for such a means of *communication*, and the audit came to an abrupt end on the *first morning* when he was knocked unconscious and re*moved* by ambulance.

Obviously, danger money would have to be paid *if such* a tricky scene were enacted next year. Readers with less hazardous tales still have another seven days *to send in* their entries.

Going steady

The proposed £70m deal to sell half of the EMI music business has under-scored the dangers of taking on the world alone with a revolutionary piece of equip*ment*. The company's medical scanner division is expected to make a £16.5m loss this year.

EMI is *not* risking the same mistake with its latest technological development, digital recording of music. Far from going it alone, it has licensed the manufacture of the new equipment to MCI, the Florida-based world leaders in making professional recording devices.

Fully paid-up members of the two cultures will want to know that "a digital tape recorder converts the audio signal to the equivalent of a 15 bit digital code, by sampling at a frequency of 50 kHz, and storing the digital information on instrumentation tape."

The rest of us will doubtless be content with the knowledge that digital recording is claimed to minimise distortion at the recording stage. Certainly, the first digital record put out by EMI earlier this year, a jazz single, offers the cleanest sound *I have ever heard outside a con*cert hall.

The company is hoping to release its first batch of classical recordings in time for the Christmas rush.

Fighter at the top

The name of Samson Banjo is one that sticks in the mind, and *memories of City veterans* were jogged by the news that he has *become managing* director of the National Bank of Nigeria.

Banjo won headlines in 1963 by an act of bravery while he was *London* manager of the bank—Nigeria's biggest. While Banjo and his cashier clerk were carying a deed box from the *bank's offices*, then in Throgmorton Avenue, they were attacked by three men.

The clerk was beaten to the ground and the thieves made off with the deed box, containing savings. A desperate chase followed, until Banjo cornered the men and began fighting all three. Although beaten up, Banjo reclaimed the box.

He was awarded the Binney memorial trust medal for bravery, gallantry and devotion to civic duty, which is awarded annually by the Metropolitan Police. Since then he has fought his way to the top by more con*ventional banking means.*

Grace note

A colleague picnicking at Glyndebourne last weekend, in the leisurely interval between acts, overheard a remark which suggests that the Budget tax incentives are already helping to stimulate useful employment. A man sitting nearby on the lawn, and unpacking the most complicated of hampers, told his wife: "All this running back and forth to the car is quite impossible, darling. Next time we really must bring Chadwick."

Observer

ECONOMIC VIEWPOINT

The more cheerful informal economy

MANY PEOPLE must have thought that the extreme gloom of economic reports and forecasts does not correspond with what they see going on around them in everyday life. This is so whether one thinks of the Western world as a whole or the UK in particular.

Sir Geoffrey Howe has said that the prospects are "almost frighteningly bad"; and there are plenty of off-the-record quotations about "the prospect even worse than we thought" a year, a month, a week, a day or an hour ago.

The Treasury's Medium Term Assessment (MTA) on which some of this gloom is based should indeed be published, with all the technical details and alternative assumptions included. It should be published without personal Ministerial commitment mainly on "open government grounds" so that outsiders can assess and criticise the Whitehall analysis. The best comment so far, also from Sir Geoffrey, was "garbage in, garbage out."

Meanwhile it is a refreshing change to read a paper prepared by J. I. Gershuny of the Sussex Science Policy Research Unit, which bears a closer relation than most Formal Forecasts to the world in which we live.* His topic is the "informal economy." This includes the black economy, on which David Freud has written on these pages, but it goes much wider. For it includes not only unrecorded transactions, but the perfectly legal household provision of services which might previously have been supplied for cash in the market.

Many commercial services have not shown as fast a statistical growth as predicted and some have actually declined as a proportion of household expenditure. So statistics based on market transactions are now under-recording rather than over-recording both economic growth and absolute levels of output.

The reason for this, according to Dr. Gershuny, is that "people are now producing more of their own services." Or more precisely, they buy goods, which are in effect capital equipment, to which they add their own labour in the form of services." Instead of going to the laundry, people use their own labour on washing machines. Instead of hiring cleaners, we clean our own houses, with ever more efficient electrical equipment." Instead of using public transport, we buy and drive our own cars.

Productivity

These are rational processes. For so far from experiencing the nightmare for bliss of computers doing all our work for us, the real trouble is that productivity in many labour intensive services increases very slowly, while wages in these industries increase more rapidly—not for the egalitarian reasons suggested by Dr. Gershuny, but because wages are geared, however imperfectly, to productivity in the whole economy. Services with little scope for productivity improvement must become much more expensive relative to consumer capital goods, where productivity can rise more rapidly. As a result it will become rational for people with average competence in do-it-yourself to earn less on the market and do more work for themselves at home. As this trend develops, the published GNP figures become *excessively pessimistic as a* guide, even to the economic welfare of the population.

To these natural developments are added the hidden production of the black economy. Whether this is for barter or unrecorded cash, it consists of market transactions, which are unregistered to evade taxes or other public regulation.

But there is a third force at work, which encourages both types of informal economy, the illegal and the do-it-yourself. The persistence of excessive unemployment over a whole trade cycle is a sign—in the teaching of Keynes as much as in the teachings of classical or monetarist economists — that real wages are too high. (The doctrinal disputes have been about how they are or should be adjusted to more appropriate levels.)

But if unions or official regulations prevent real wages—whether absolute or relative—from moving to market-clearing levels. people will make their own unofficial adjustments; and "a low wage hidden economy will develop." This is the real explanation of the flourishing avoidance activity, described on this page yesterday, which takes place in trades such as hotel and catering, with the connivance of workers, to by-pass the Wages Council *rules*.

Trevor Humphries

The household sector: overlooked by the gloomy forecasters

These various forces interact. For the falling cost of equipment, particularly power tools—together with the development of processes requiring less skill to use—reduces the cost of taking part in the informal economy. This applies both to providing for one's own needs at home and becoming self-employed without completely declaring what one is doing to the authorities.

Dr. Gershuny adds that the informal economy is not only *beneficial from a financial point* of view. *Many people also find it more personally satisfying.*

Economic progress is thus no longer a one-way movement to an impersonal society based only on cash relations and legal contracts. Instead we have a "rather less tidy pattern" with a whole series of little movements taking place simultaneously in different directions into and out of the formal economy, the household economy and the "black" or underground sector.

So far, so good. But Dr. Gershuny, after presenting this more cheerful picture, has his own brand of doom. The displacement from the formal, monetary economy has, he believes, an unfair and unequal impact on different people. For instance, the *micro-processor* is liable to have a disproportionate *effect on women's employment* in the service sector—although the recorded fact is that women's employment has shot up in the last few years, while men's has stagnated.

Dr. Gershuny stresses that unemployment is concentrated heavily among those with low or obsolete skills and inadequate levels of education or training. Added to this, the distribution of employment activities is uneven between regions. Thus some people have less choice about whether to work in the formal or informal economy than the rest of us.

It is, however, tendentious to describe these features as the formal economy "exploiting" the informal one. Indeed, at a *meeting to discuss the Gershuny* paper, some of us retaliated by *saying that the exploitation was* the other way. Those of us with skills most suited to wage or salaried employment and least suited to do-it-yourself activities at home or for cash, were exploited by untaxed informal workers, whom we had to pay out of taxed incomes.

An exchange of complaints will not, however, get us anywhere. It is better to list the reasons for the existence of a society with low registered productivity, high registered unemployment side by side with high and productive informal activity. They are:

- The slow growth of productivity in *many* services in relation to its rapid growth in the production of simple capital equipment and household tools.
- *A social security cushion for* the unemployed which makes it irrational for those with low marketable skills to seek full-time declared employment.
- Tax levels which distort economic choice in favour of the household or the underground economy and against the cash one. Prof. J. C. Shepherdson, of the University of Bristol School of Mathematics, wrote to the Financial Times in 1976 explaining that it did not pay anyone earning less than £53,000 per annum to take his car to a garage and devote his time to professional activities if he was capable of repairing it in the same time that a garage could.
- Trade unions or government monopolistic restrictions, which prevent *real* wages from moving—upwards as well as downwards—to market clearing levels.

The first reason, differential productivity growth, is a legiti*mate one for the evolution of* an informal economy and is no cause *for* complaint—although hard luck on those of us who like train or taxi journeys, shaves in barber shops, restaurant meals, and professional decoration in place of our own clumsy efforts.

The fourth reason, monopo*listic collusion to keep* wages from market clearing levels is a distortion felt most heavily by those for whom most croco*dile tears are shed*—the out-of-work in the unemployment blackspots. For such people, the informal economy is not a positive good, but a *lesser evil*.

The third point about tax distortions is an argument for slashing the high rates on marginal earnings at the bottom and top of income scales.

The second reason, the effect of the social security cushion on work incentives, *is* not a 'technological fact, but, a basic' feature of a humane society. The *Right are as infuriated to hear* this stressed as the Left are to have the work disincentive recognised: but both sides will have to stay infuriated.

There are many *reforms* which could reduce, but certainly not eliminate, such disincentives.

But at the end of the day the existence of a social wage will still mean that people without valuable skills, and temperamental drop-outs, will not work full-time in the cash economy when otherwise they might have been starved into doing so. This is good, not bad—except for those who regard low unemployment percentages as an end in themselves.

But I want to end with a point of Dr. Gershuny's. He spoils an otherwise excellent paper by advocating job sharing: reduced hours, rationing available work and so on. This is a crude re-appearance of the age-old "*lump of labour fallacy*." Its adoption would impoverish us all without necessarily cutting even the unemployment statistics. It would also be violently anti-libertarian.

But by even mentioning job-sharing, an otherwise thoughtful academic helps to prolong the life of a deep-seated impoverish*ing fallacy* of a *Luddite nature. No research programme will re*move the fallacy; but a walk on the Sussex downs and some *basic reflections on the circular* flow of income and expenditure might have eased it away.

A similar course of therapy is *to be recommended to the com*pilers of the "MTA," those who complain about supposedly high interest and exchange rates, and the assorted technocrats and flat-earthers who want accelerated growth zero growth, or whatever other authoritarian pattern they wish to impose on a society which will evolve *much* better without their attentions.

**Future Employment Structures, Security and Job Creation.* the Anglo-German Foundation. St. Stephen's House, Victoria Embankment, London, SW1.

Samuel Brittan

Letters to the Editor

A strong pound

From Mr. R. Sheldon, MP

Sir,—In his article on August 2 Samuel Brittan suggested there was a vacancy at the Treasury. This was for a convinced academic required to present the monetarist case more convincingly. Presentation will not, however, be enough. The bones of government policy and its consequences cannot be masked.

A high £ together with world recession are constricting our exports. Our manufacturing industry not only has these restraints upon its output, it also has to face severe competition from absurdly low-priced imports in a world where such opportunities to pour goods into a willing country are few. In addition to all of this, manufacturers face recession at home and a minimum lending rate at 14 per cent.

What is the theoretical basis for such a disastrous combination? There are two. The first is to provide tax incentives, the payment for which is met by increases in indirect taxation, which lead to greater inflation and which have to be compensated by deflationary measures. The end result therefore tends to bankrupt those for whom the tax incentives were largely intended. For in any recession it is the small business which is the most vulnerable.

The second reason for the punishing of industry is the inability to distinguish between the growth of money supply at home—caused by our own printing of money—and that caused by the inflow of funds from overseas if the exchange rate is kept low. Of course we have to restrict the printing of money because it is both inflationary and cumulative. Cumulative in that each year the money supply starts at a higher level due to the previous year's printing.

The inflow of overseas money does not operate in the same way. It is not normally cumulative and, being hot money, it can be reversible. It is consequently a much less significant part of the money supply over any period.

There are those who, in their dogma, see an unchanging and precise relationship, quarter by quarter, and even month by month between money supply and inflation. Too much is being sacrificed to satisfy their incomprehension. Different forms of money can and must be distinguished and the Bank of England should accordingly be instructed to undertake a proper intervention in the foreign exchange market to save British industry.

Robert Sheldon.

House of Commons, SW1.

Flywheels save energy

From Mr. C. Whetton

Sir,—Mr. A. Lines (July 11) advocates bringing back the trolleybus for passenger transport and electrifying all major roads so that a similar system could be used for long distance goods transport. Without considering the problems of charging for the energy consumed, the cost of converting 2m goods vehicles to electric operation and the environmental impact of an extensive network of interference radiating overhead cables, I would like to point out that the cost of providing overhead electrification to 16,000 km of motorways and trunk roads would be about £7bn at 1979 prices. This level of investment may be compared with the £1.2bn spent on roads, including lighting, in the financial year 1975.

An alternative (or supplement) to the internal combustion engine exists in the form of flywheel propelled vehicles where the flywheel is used to *store the energy needed to pro*pel the vehicle, the flywheel being charged by plugging in to a power source—a ten minute charge being sufficient for, say, one hour of use. This also has the advantage that energy which is normally lost when braking can be recovered and stored by the flywheel to be used again when accelerating the vehicle. The possibility also exists for hybrid vehicles where a small internal combustion engine propels the vehicle at its cruising speed and the flywheel supplies additional energy used for starting, ascending hills, etc. and stores energy recovered in braking. Studies have shown that for a 40 ft bus the pure flywheel driven bus and the flywheel/diesel hybrid have life-cycle costs slightly less than those for a conventional diesel-powered vehicle. More important, the flywheel/diesel bus uses 12 per cent less diesel fuel than the pure diesel bus in a typical urban driving cycle. For the pure flywheel bus the energy saving is 26 per cent equivalent energy.

It is not true to say that the flywheel has had a bad Press in Britain—it has had almost no publicity at all. In the U.S. investment in flywheel system development is running at about $3m per year. I know of no research and development programme in Britain.

C. P. Whetton.

14 Rue Notre Dame de Lorette, 75009 Paris, France.

Tax relief since 1853

From Mr. B. Taylor

Sir,—We are very concerned to read the articles written by Elinor Goodman (July 30) and Eric Short (August 4), regarding the possible abolition of tax relief on life assurance premiums.

The original concept of life assurance was for protection, and any individual who provides financial security for his dependants by using a life assurance contract is surely socially desirable and will relieve the state from part of the financial burden should the individual die prematurely.

Many life assurance contracts today are slanted much more towards investment and savings which on maturity provide substantial security for individual needs.

The conventional life companies have been the most stable medium for savings available and used by all stratas of society. Clerical, Medical and General Life Assurance Society, whose managing director and current chairman of the Life Offices Association, Mr. Leonard Hall, in its report for 1977, stated that various with profits endowment policies maturing then had, after tax relief, enabled the policy-holder to keep pace with the retail price index. No other long-term investment available to the public at large, other than life assurance, has performed as well, and we believe that every encouragement should be given to the industry.

We also refute the implication given that the industry does not support smaller companies. There are many instances, directly and indirectly, where they do, for example, as purchasers and developers of property and mortgagers for the smaller industrial concerns. You cannot expect them to invest on a large scale directly as shareholders in private or director-controlled companies as this type of company's shareholders have totally different aims to those with many more public shareholders.

I think that the industry has acted most responsibly and to think that a Conservative Government could possibly change a system whereby the individual looks after himself and his heirs as opposed to state support, is inconceivable and particularly as according to Mr. Short, tax relief was originally granted in 1799 by William Pitt the Younger and has been available without a break since 1853.

Brian M. Taylor.

The Old Vicarage, Church End, Pottersbury, Northants.

Plethora of tax allowances

From Mr. B. Cole.

Sir, — May I support the arguments of Mr. Beattie and of Lex (August 3), that our tax system should be less discriminatory. The plethora of allowances and methods of avoiding payment of tax has been out of control for many years. The Chancellor should have every encouragement to reduce these at the earliest opportunity.

Surely the starting point for a philosophy of taxation should be to raise the necessary (minimum) revenue from all citizens fairly, that is, in relation to their ability to pay and/or their demands on society. The first criterion can be satisfied by a simple income-tax (including capital gains if a reasonable basis of valuation can be found), and probably a Corporation Tax. The second is best covered by VAT at one standard rate, levied on all products and services.

Income-tax relief on savings can be justified in my view only on the grounds that it is good for society that personal savings be increased, to a degree that outweighs the disadvantages. As Lex and Mr. Beattie emphasise, however, there is no justification for the present "fiscal distortion in the market mechanism" caused by the "tax bias towards saving in a particular form." Since companies are not consumers there is no need to allow relief against corporation tax. Income-tax relief could, however, be made fiscally neutral.

Individuals could be allowed an equal value of savings each year free of tax at standard rate. Since this would replace present relief on insurance premiums, pension schemes, mortgage interest, employee share schemes, etc., the level could probably be attractively high to reduce the political problems.

A reasonable alternative which Mr. Beattie would doubtless prefer could be to abolish all such reliefs. I suspect this might be politically so unpopular that the change would not last long. In pure economic terms, however, the incentive to save could be strengthened by an increase in VAT to, say, 25 per cent.

B. A. Cole.

"Drake Wood," Deronshire Avenue, Amersham, Buckinghamshire.

Resistance to technology

From Mr. S. Oliver

Sir,—May I express deep concern at the apparent increase in resistance to new technology in our society?

Christian Tyler's piece (June 18) "The TUC Nibbles at new technology" was very informative and thought-provoking. The unions' theme is "change but only by consent," with the implied threat that unless workers see some net benefit to them from the new era of automation they will dig in their heels and resist it. Again, Mr. Moss Evans, general secretary of the Transport and General Workers Union, expressed the opinion that micro-technology needs to be "bent" to the trades unions' purposes (July 13).

Too few people realise the extremely rapid pace with which technological development is proceeding in some areas (although we are only seeing the tip of the iceberg of the application of such technology). Consider, for example, the rate of introduction of numerically controlled machine tools in two countries:—

	Number of Machines	
Year	UK	U.S.
1965	900	7,000
1976	10,000	40,000
1980s	*15,000	

* Dept. of Industry's prediction.

Again, on the computing front, the FT (June 6) reported a computer storage system which had reached a capacity of 21 times its designed capacity in 1971. On the jobs front, a major chemical company talked of a planned 2 per cent per year cut in jobs (April 26), although the general secretary of the white collar section of the General and Municipal Workers Union thought that the proposals might involve anything up to 7 per cent job reduction per year over a number of years. If only the 2 per cent rate of reduction was applied to the 22.7m employees in the UK over a period of 10 years, 4m jobs would be lost. Mr. James Prior (June 22) refused to be drawn concerning a Treasury forecast of a possible level of 2m jobless by 1980. It is entirely conceivable that unemployment in the UK could rise to around 10m by the end of this century if we continue to manage our affairs inflexibly.

A society based upon a large number of unemployed citizens is surely heading for trouble and particularly a society where young people have no prospects of work. Urgent action is required.

Every encouragement should be given to advanced technology which should be pushed as hard as possible on all fronts. The working week should be progressively and substantially reduced. Holidays should be substantially increased. General skills should be taught as a potential benefit to society and the individual. Financially attractive early - retirement schemes should be accelerated. Much more financial encouragement should be offered to industry and particularly small manufacturing companies. Much more education and training should be given in marketing and product design. Bold plans should be explored to supply the underdeveloped countries with vital products and services without expecting early monetary payment (which they clearly cannot yet provide).

The Government should make great speed before we experience an economic and sociological catastrophy.

Stanley Oliver.

(Senior Lecturer in Management Techniques, Salford College of Technology). 35, Kingsley Drive, Cheadle Hulme, Cheadle, Cheshire.

Kentish exports prospects

From the President, Kent Export Association.

Sir, — There has been considerable discussion in recent weeks on the effect of buoyant currency on British exporters' ability to continue to compete in world markets. When reading such reports and indeed statements made by certain eminent chairmen of large companies, it is difficult not to experience a feeling of doom and despondency for trading prospects in coming months.

This association recently carried out a survey among its manufacturing members who operate in Kent. There is an enormous variety among these members both in manufacturing and size of enterprise, some being national names employing over a thousand workers and some being small concerns with only 50 employees.

Out of some 65 replies received to our survey, 27 companies were selling on fixed-price contracts, the remainder on normal overseas trading terms. Forty-seven companies stated that they believed that the strengthening pound would make it difficult to sell in overseas markets. What is particularly interesting, however, is that some 45 companies out of the total replying considered that good quality and prompt deliveries can outweigh any detrimental effect caused by the pound's value against price competition. Furthermore, 50 per cent of the companies did not consider that the next year would be static with regard to exports.

I feel, therefore, that we can take heart that pessimism has not become general thinking among exporters at the moment and, providing the country responds by producing more for a competitive price, then we will be able to cope with any competition we receive from overseas.

The only point I would add is in contradiction to statements being made that exporting companies can gain from imported raw materials becoming cheaper. The number of companies that this applies to is quite small, and the overwhelming number of us engaged in exporting use British goods throughout our manufacturing process.

G. W. Sibley.

149, New Road, Chatham, Kent.

Today's Events

GENERAL

UK: Sir Keith Joseph, Industry Secretary, visits Scottish electronics companies, and Wolfson Microelectronics Institute, at Edinburgh University.

General and Municipal Workers' Union national officials and shop stewards meet to discuss possible industrial action against Pilkington glass company.

First air defence variant of Tornado F2 long-range interceptor rolls out at Warton, Lancs.

OFFICIAL STATISTICS

Central Government transactions (including borrowing requirement) for July. Provisional figures of vehicle production for July.

COMPANY RESULTS

Final dividends: Ailsa Investment Trust. Associated Tooling Industries. Diamond Stylus. Hallite Holdings. Longton Transport. David S. Smith. **Interim dividends:** Adams and Gibbon. Anglo-International Investment Trust. Automotive Products. Goode Durrant and Murray Group. Hawley Leisure. Mercantile Investment Trust. Ratcliffs (Great Bridge). Wolf Electric Tools (Holdings).

COMPANY MEETINGS

Armitage Shanks, 75 Harborne Road, Birmingham, 12. Baker Perkins, The Dorchester Hotel, Park Lane, W, 11.45. Cattle's Royal Station Hotel, Paragon Square, Hull, 3. Chamberlain Phipps, The Manor House, Higham Ferrers, Northants, 2.30. Cullen's Stores Burford Bridge Hotel, Nr. Dorking, 3. Eucalyptus Pulp Mills, Charing Cross Hotel, Strand, WC, 12.30. Town and City Properties, Winchester House, 100 Old Broad Street, EC, 10.30.

UDT steps up recovery with advance to £20m

United Dominions Trust, the independent finance house conglomorate which is still receiving aid from the Bank of England's support group, reported an 18 per cent increase in 1979 group *pre-tax profits to £20.1m.*

Mr. Len Mather, the chairman, says the grou pis *largely* restored to sound financial health and its recovery programme has *accelerated* apace. But it is likely to remain materially *dependent on the support group* for another few years.

At present UDT is receiving about £250m of its £530m deposit base from the support *group, about £50m less than this* time last year. At the height of the group's difficulties "*life-boat*" funds exceeded £500m.

Mr. Mather confirmed that UDT *is actively considering* schemes to improve its capital structure. But here again, any reconstruction might be three to four years off, he said.

UDT achieved its profit increase in the year to June 30, 1979 despite *the fact* that its average cost of money was 4 per cent higher in the year than *in 1978. This is explained by* significant profit increases in property advances, vehicle hire and motor distribution, and the engineering division. Profits *from instalment credit* and related services are almost £9m lower at £5.6m.

Mr. Mather wants UDT to remain a conglomerate. The profit increase reflected "the importance of the manifold services *furnished by the group.*"

"We are a diversified group serving many types of customer *in widespread fields and have* the strength to withstand the adverse effects of violent swings in money market rates which are beyond *our control.*"

But there is to be no dividend. The last payment was in 1973-74 when the group paid 2.822p net. The chairman says all available *profits are being applied to further* strengthening the capital base, particularly in the face of continued inflation.

On the future Mr. Mather says the *main factors affecting profit* levels are largely outside their control. The effects of the new *Banking Act* on the financial community remains to be seen, and *if high* money rates persist time will be needed to eradicate narrow margins from the fixed *lending book.*

After tax and extraordinary items, including a £3.5m reduction in the sterling value of group net assets following the *strength of the pound,* the surplus has jumped from £6.5m to £12.7m. Stated earnings per 25p share have almost doubled from 6.41p to 13.38p.

When *preference stock* dividends are deducted retained *profit is also well up—at £10.5m,* against £2.2m.

Mr. Mather says that the instalment credit and related side was hit by higher money costs. UDT Industries was the highest individual contributor to *group profits.*

	1979 £m	1978 £m
Profit before tax	20.1	17.0
UK—		
Instal credit and related services	5.6	14.4
Other fincl. services	2.8	1.3
Property advances	3.4	0.5
Vehicle hire and motor distribution	4.6	3.0
Eng. and industl. components	1.5	1.0
Prop const and dev., plant hire and equip. sales	0.2	10.3
Overseas	2.0	(3.3)†
Tax—U.K	1.0	2.8
—Overseas	2.7	3.3
Profit after tax	16.4	10.9
To minorities	0.6	10.5
Extraordinery debits	3.1	4.9
Pref. dividends	3.2	4.3
Retained	10.5	2.2

† Credit.

See Lex

HIGHLIGHTS

The gilt-edged long tap was exhausted yesterday and Lex looks at the reasons for the latest renewed enthusiasm which was reflected in a parallel advance in the equity market. The big company news result of the day came from UDT which has *surprised the market* **with profits for the year showing an improvement despite the big rise in interest rates. Glynwed is looking to higher profits for the year but there is a cautious** *note to the half-time statement.* *Finally Lex examines the* **latest move in the bid battle between Bestobell and BTR with the former publishing its latest defence document. Elsewhere there are comments on Bibby, Securicor, Comben and Ault and Wiborg.**

Ashley Ashwood

Mr. Peter Smith, chairman of Securicor . . . big improvement *in overseas earnings.*

Securicor ahead to £2.85m at midway

A *25 per cent profits increase* is reported by **Securicor Group** in the half year to March 30, 1979. The taxable surplus was lifted from £2.28m to £2.85m on *turnover ahead from £59.2m to* £67.1m, and the group, which incorporates Security Services and Securicor, is looking for continued growth.

Mr. Peter Smith, chairman, said pressures on UK profit margins of manned security operations, foreshadowed in his review last year, were offset by the substantial improvement in *overseas earnings. The group* benefited from a doubling of the contribution from the diversified activities in finance, transport, property and hotels.

Taxable profits from UK industrial security *fell from £1.7m to* £1.43m, but the overseas contribution rose from £173,000 to £474,000. The surplus from the other activities jumped from *£409,000 to £948,000.*

Mr. Smith adds that the *major* extension of the parcels service got *off* to a good start in April, and he anticipated continued advance in overseas operations in the *second half.*

He concludes that the year as a whole, after absorbing part of the start-up costs of the extended parcel service, should show *continued overall growth, albeit* at a somewhat more modest rate than in 1978. Profits for the whole of *last year rose from* £4.31m to £5.1m.

Tax for the half year is *increased from £746,000* to £935,000, leaving the net surplus up from £1.53m to £1.91m. Stated *earnings per 25p share are ahead* from 6.9p to 9.3p.

The interim dividend is lifted *from 0.8p net to 0.9p and there* is an issue of one "A" ordinary (non-voting) for each ordinary or "A" ordinary held. Last year's total dividend payment was 2.5738p.

The cost of the ordinary dividend goes up from £82,550 *to £92,869 and the preference* from £19,349 to £24,885.

The half-year taxable profits of Security Services, which is 52 per cent owned by Securicor Group, were up 14 per cent from £2.01m to £2.29m on turnover *ahead from £56.8m to £64.4m.*

Stated earnings per 25p share are down slightly at 7.2p, against 8p. *The interim dividend is* lifted from 1.25p to 1.375p net and last year the company paid a *total of 3.553p after raising* taxable profits from £3.68m to *£4.52m.*

There is a scrip issue of two "A" ordinary (non-voting) *shares for every three ordinary* or "A" ordinary.

Tax for the half year is £808,000 (£605,000) and net profit is almost static at £1.48m, against *£1.4m.* The cost of the dividend is up from £254,994 to £280,494.

Comparative figures have been restated to reflect the change of Securicor (Malaya) from a subsidiary to an associate.

● comment

Securicor's first half profits are up by a quarter, thanks to its overseas operations and diversified activities which between them are now *as important* as the original security business. At home, margins were squeezed in the labour-intensive security operations, mainly because of *inflationary* pressures—such as wages. Also, there are continuing start-up costs for the *extended parcels delivery service,* on which the company expects to spend at least all of last year's rights issue proceeds. Of all the activities, the parcels service shows the greatest growth potential given that its major competitors are the Post Office and *British Road Services.* The *company* estimates that it could contribute around 40 per cent of UK profits in 1980. For the current year the company does not *expect* to match the 20 per cent profits increase of the previous 12 months but there will be *ample cover for a healthy dividend* payout to boost its meagre yield and the industry must be a crowing one.

Battle lines drawn in Belhaven board row

BY JAMES BARTHOLOMEW

AN extraordinary row at Belhaven Breweries came out into the open yesterday with Mr. Roy Ling, the deposed chairman and managing director issuing a long statement and the rest of the board saying that some of Mr. Ling's statements are "out of context."

The argument appears to have started when Belhaven asked Mr. Ling if Ashpoint, the company Mr. Ling had sold at Belhaven, would contribute funds towards Belhaven's dividend. Ashpoint did not have to agree to this under the terms of the contract by which it had been purchased.

Mr. Ling was willing to consider the proposal, however, if other terms of the contract were improved. Among the improvements he requested was a long extension of the time during which Ashpoint would remain *outside the control of Belhaven.* Mr. Ling claimed that Belhaven would gain because the change would also mean that the Ashpoint management would be tied *to Belhaven for longer.*

The board claims that the terms were so demanding that it could not agree to them. The directors say they were sufficiently incensed to remove Mr. Ling from his position as managing director and chairman. *Mr. Ling says his removal* had no reasonable foundation that he can see.

The *removal* was *effected* while Mr. Ling was negotiating a deal on behalf of Belhaven in Bermuda. The board says he knew of the date of the board meeting well in advance.

Both sides claim to be willing to make compromises and reach agreements. Mr. Ling says Belhaven has offered to sell Ashpoint back to him and to sever all connections with him. He has refused, he says, because he *believes that Belhaven has* a good future and he is committed to it.

If the row turns into a proxy battle at a general meeting, Mr. Ling believes his *opponents* speak for a large block of shares. But he and his colleagues who previously owned Ashpoint now have about 800,000 *shares.*

The Belhaven board will issue a statement next week giving an indication of the first quarter figures and future plans. It may also set out its version of the full circumstances of Mr. Ling's appointment and subsequent *removal from the top of the* group.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Ault & Wiborg ...... int.	0.75	Oct. 15	0.72	—	2.16
Bean Bros.	2.1	Sept. 28	1.57	3	2.37
Berjuntai Tin	40‖	Sept. 28	60	80	110
J. Bibby ...... int.	6	Oct. 8	3	—	9.73
Bristol Ev. Post	4.75	Sept. 18	3.67	7.75	6.42
City London By. 4th int.	1.19	—	0.96	3.26	2.76
Comben Group ...... int.	1.2	Oct. 5	0.5	—	1.7‡
David Dixon	6.72	Oct. 2	2.71	8.5	3.71
English & NY ...... int.	1.5	—	1.25	—	3
Eng. & Scottish Inv. int.	1	Sept. 28	0.6	—	2.65
G. M. Firth	1.5	Oct. 2	2.5	3	2.5
Glynwed ...... int.	2.45	Dec. 19	2.45	—	9.15
Hume Holdings	4.03	Oct. 26	3.1	5.7	4.58
Hume Holdings ...... int.	1.93§	—	1.68	—	5.7
Kamunting Tin	40‖	Sept. 20	12.5	47.5	12.5
New Witwatersrand	16¶	Sept. 28	10	24	16
Rohan	3	—	2.25	5	3.75
Securicor Group ... int.	0.9	Sept. 28	0.8	—	2.54
Security Services ... int.	1.37	Sept. 28	1.25	—	3.55
Vogelstruisbult ...... int.	5¶	Sept. 28	4	—	12
Southern Kinta	90‖	Sept. 20	70	150	70

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For nine months. § For 1979-80. ¶ South African cents throughout. ‖ Malaysian sen throughout. Before Malaysian Tax.

Hume passes £2.5m: pays 5.7p

TAXABLE REVENUE of **Hume Holdings**, *investment trust,* increased from £2.18m to £2.54m in the year to June 30, 1979. Gross revenue was ahead at £2.85m, against £2.59m.

At *midway, the directors* were confident that full-year distributable revenue would fulfil the *chairman's annual general meeting* forecast of an increase over the previous year. In the event, attributable revenue came through 20.5 per cent higher at *£1.75m (£1.49m) after tax of* £797,000 (£676,000) and minorities of £15,000 last time.

The net total dividend is stepped up 24.35 per cent to 5.7p (4.58375p) per 25p "A" share, with a 4.025p final which includes 0.075p after the tax charge. An interim dividend of *1.925p (1.6875p) is also declared* for the current year.

	1978-79 £000	1977-78 £000
Gross revenue	[illegible]	[illegible]
Franked dividends	1,300	802
Unfranked	93	169
Interest	1,144	1,278
Property	136	391
Finance and trdg cos.	176	54
Management expenses	277	304
Interest	277	397
Associates	248	*287
Revenue before tax	2,542	2,180
Tax	797	676
Net revenue	1,745	1,504
Minorities	—	15
Pref. dividends	244	244
Attributable	1,501	1,245
Dividends	1,364	1,074
Retained	137	171

* Includes £108,000 relating to Scottish Life Hume Properties, since sold.

The capital dividend on the "B" shares has not been finalised but is estimated at about 8.5 shares (7.6) per 100.

Full-diluted earnings are shown to have risen 17.35 per cent to 5.78p (4.9246p). Estimated fully-diluted net asset value was 100.5p *(95.9p) at June 30 and 98.2p* (104.6p) at August 7.

As already known, the directors propose to change the company's name to Hume Investment Trust Company after the annual meeting *in October.*

● comment

Whether or not discounts to asset valuations are ever superseded as the yardstick for investment trust ratings Hume has to live with a discount which, at 19.4 per cent, *falls almost eight points* better than the sector average. Industry statistics for asset growth over the past five years show the trust as very much *amongst* the also rans and the current quality rating thus rests heavily on the dividend track *record. There is nothing in the* results announced yesterday to change that view for, on a 24 per cent increase in distribution, a yield of over 10 per cent at 85p *compares with the sector* return of 5.6 per cent Hume has made some emphatic decisions recently in the U.S. market and direct property investments Both spheres now have an insignficant effect on the portfolio and, while the trust remains poised to *commit itself to the equity* market, long-dated gilts retain their very obvious attractions.

Associates, through the banking operation (and some £2m of tax losses) are set to make an improved contribution but the success of the medium term investment strategy will now *hinge on the timing of a Wall* Street re-entry. Everything Hume has done recently has undoubtedly favoured income conscious investors

Rohan profit surges past £1m mark

WITH *second-half profits jumping* from £308,000 to £802,000, taxable profits of **Rohan Group** surged to a record £1.26m in the year to April 30, 1979, compared *with £552,000 last time.* And the directors say a very satisfactory start has been made to the current year.

The net total dividend of the industrial estate developers and building contractors is stepped up from 3.75p to 5p, with a 3p *final.* A one-for-four scrip issue is also proposed.

At midway, the surplus was ahead to £455,000 (£244,000), and the directors said second-half profits would be higher.

They now say the balance sheet indicates a strong liquid position, with net current cash *balances* of £1.04m. They *repeat* their earlier comment that the successful negotiation of a number of joint venture developments extending over the next *two years should offset* any down-turn in general demand for industrial space which may occur.

Turnover for the year was well ahead at £18.96m (£14.31m). After tax of £732,000 (£291,000), earnings per 10p share *are given* as 16.68p, against 8.25p. Retained profit came through at £492,000 (£145,000).

At balance date, group fixed *assets stood at £505,000* (£519,000), while net current assets were up from £500,000 to £2.28m. Bank balances and cash rose to £1.33m (£235,000).

FFI LOAN STOCK

Finance for Industry recently purchased a further £2.81m of the 13 per cent unsecured loan *stock 1981 within the terms of* the trust deed constituting the stock. The stock was purchased in the *market for cancellation* and the balance now outstanding and in issue is £43.94m.

Ault & Wiborg midway profit held at £1.3m

PRE-TAX profits of **Ault and Wiborg Group,** printing inks, *rollers, paints* concern, were virtually unchanged at £1.3m for the half year ended June 30, 1979 compared with £1.31m, *on turnover* up from £19.6m to £22.45m.

The interim dividend is 0.75p (0.72p) net per 25p share and the directors consider, in light *of the profit level,* that the modest increase is appropriate—last year's final payment was 1.44p.

In March the directors *reported record profits of £3.1m* for 1978 and said that sales and profits for the first two months *of the current year* had been severely affected by the transport strike and bad weather.

Tax charge for the six months is given as £516,000 (£527,000).

● comment

The interim results from Ault *and Wiborg show a marginal* drop in pre-tax profits but this is not as bad as some analysts had been predicting. *Although turn*over increased nearly 15 per *cent in the first half,* the group has had to cope with the lorry drivers' strike in January and *with price rises in the raw* materials it uses for paints and inks, notably petroleum. Margins are down and demand *has not* been slow to rise. The company also experienced some heavy working capital *requirements*—£800,000 in the first half—which *have been met by* internal funding and borrowing. As a result, the interim dividend is only *marginally higher than last year's* (up by 4 per cent) and the full year total will probably inch up only slihtly over 1978. Pre-tax earnings for the year are likely *to be £3.3m,* roughly the same as last year. Under these assumptions, the prospective year-end *p/e* should be about 4.5 at yesterday's share price of 47p, up 2p, with a possible yield for the year of 7 per cent. There is one final factor which shareholders *should be appraised of:* the U.S. group, Sun Chemical, has been buying into Ault and Wiborg's equity for several years now and has achieved a *46 per cent stake.* Over the next two years, Sun can purchase 2 per cent each year, and at 50 per it can slop up its buying. It seems probably that Sun will acquire Ault and Wiborg, but with its current stake and four directors on the Board, some would *say* that it already has more than a small amount of influence.

Bibby growth—dividend boost

THE directors of **J. Bibby and Sons** announce pre-tax profits ahead to £4.02m for the first half *of 1979 against £3.72m last time* and they expect to pay a dividend at least equal to 18p for the full period—last year's total was 9.732p.

The interim dividend is increased from 3p to 6p net per £1 share. It is intended to split the £1 shares into two shares of 50p, and make a scrip issue of one-for-two.

Commenting on the figures, Mr. Leslie Young, chairman, explains that an increased trading surplus from the agricultural group more than offset a reduction in the industrial group.

However, they believe the second half should be more *favourable and expect further* profit growth for the year as a whole over the £8.4m for 1978.

	First half 1979 £000	1978 £000
Sales	88,812	79,715
Depreciation	1,274	1,054
Trading surplus	4,160	3,811
Interest	379	276
Trading profit	3,781	3,535
Share of associates	242	184
Profit before tax	4,023	3,719
Tax	1,207	930
Net profit	2,816	2,789
Extraord. credits	12	13
Attributable	2,828	2,802

Mr. Young says that within the agricultural group the feeds and seeds division showed substantial gains arising partly from a continuing improvement in efficiency and partly from the severe spring weather which kept the animal feed factories operating at the higher *winter* levels of output until the middle of May.

The seeds business also recorded improved results. The *farm products division showed* a satisfactory increase with Twydale Turkeys in particular *achieving* an excellent result. And Palethorpes showed a welcome recovery from the disappointing results of last year, he adds.

The industrial group's performance was adversely affected by the road haulage drivers' dispute, particularly in the edible oils division whose trading surplus showed a significant *reduction* compared with last year.

Henry Cooke continued to progress and Henry Cooke Converters returned to profit with a small contribution.

● comment

The fall in profits—and sales—in *Bibby's industrial group* (largely on the edible oils side) is a measure of the effect of the winter's strikes on the company, which has done well to avoid a fall at the overall pre-tax level. But there is room for useful recovering in the second half, and in 1979 *as a whole Bibby should* make a comfortable £9m. The company has begun to get to grips with the problem of marketability of its shares, through a share split and a one-for-two scrip, but the large holdings of the Bibby family and Tiger Oats *(30 per cent) will* not be diluted in the immediate future. The unissued capital *will still represent only 22* per cent of authorised capital, which does not suggest that a large acquisition is being actively prepared, although Bibby is still looking around. The dividend is more or less doubled, which *leaves the shares, up 27p at 455p,* yielding 5.7 per cent on a p/e of around 8½, fully taxed.

Barker and Dobson capital reconstruction

Details of Barker and Dobson Group's proposed capital reconstruction were announced yesterday.

The company, which manufactures confectionery, and is engaged in retailing, is proposing that the present holdings of five *ordinary shares of 10p* will become two new ordinary shares of 20p. First, the par value is to be reduced *from 10p to 8p,* each share is then to be subdivided into two shares of 4p and every five of these is to be consolidated into one new *ordinary share of 20p.*

The authorised share capital will become £18.66m represented by 26.89m ordinary 20p shares and 66.39m unissued 20p shares. At the same time it is proposed that the share premium account, which stands at £1.86m, will be *cancelled.*

Barker and Dobson announced the proposed capital reduction in July along with much improved profits of £0.93m *(£0.3m)* for the year to March 31, 1979. For the years 1974-75 to 1976-77 the company was a loss-*maker.*

The directors said the capital reconstruction would eliminate the debit balance on profit on loss account and permit the continued payment of dividends out of current profits.

Comben at £2.3m in first half

INCLUDING results from Orme Developments, acquired at the end of 1978, taxable profits of **Comben Group,** house builder and estate developer, were £2.3m for the first six months of 1979 compared with £405,000 for the three months ended June 30, 1978, and £1.47m *for the nine* months ended December 31, 1978.

Turnover for the six months was *£23.94m (£5.32m for three* months).

The interim dividend is increased from 0.5p to 1.2p net per 10p share, absorbing £488,000 (£127,000)—for the nine months' period last year a total of 1.7p was paid.

The attributable balance came through at £1.7m (£305,000 for three months) after tax of £600 000 (£100,000). The amount retained was £1.21m (£178,000).

The directors say a start has been made in reducing the level of borrowings created following *the Orme acquisition.*

Margins throughout the country have now returned to more adequate levels, and the sales position continues to be strong.

● comment

After a change of year end following the absorption of *Orme,* there are no obvious profit comparisons to be made at Comben's interim stage but the enlarged housebuilding group is talking of a 10 per cent half-time increase in volume, a price rise worth around a fifth while Orme's contribution may have boosted turnover by a third. Margins look to be about 2½ points better at 9½ per cent. *The sale of* Orme's commercial development portfolio, initially held as work-*in-progress at £2m, is about half* complete and the group expects *to hit the target of 1:1 gearing* by the financial year end. The land bank of some 8,000 plots *is worth some 3½-4 years development* but the effort required to maintain the level *of this holding* clearly suggests some pressure on future dividends. *Not that this implies any short-term* squeeze for the promise of a 2.4p net per share total looks well in hand so the prospective yield at 39p, up 2p yesterday, is *9.1 per cent and there may be* *scope* to exceed the forecast. *It will absorb £80,070 (£68,725),* leaving retained profit of £304,542 (£236,650).

G. M. Firth profits rise

Following the midway recovery from a loss of £29,000 to £94,000 profit a big rise in pre-tax profit from £29,661 to £183,560 in the year to March 31, 1979, is reported by G. M. Firth (Metals) Bradford steel stockholders.

Turnover dipped slightly from £7.69m to £7.26m.

The tax charge of £89,037 *(£14,926) becomes a credit of* £84,163 for 1979 after release of deferred taxation of £173,200 in respect of stock increase relief. Net profit before extra-*ordinary items is £267,723* (£14,735).

A *final dividend of* 1.5p net a 10p share is proposed, making a total for the year of 3p—last year *only* a final of 2.5p was paid.

Midway fall for Straits Steamship

Straits Steamship Company, a subsidiary of Ocean Transport and Trading, suffered a 9 per cent *decline in taxable profits* for the half year to June 30, 1979. Group pretax profit was Singapore $5.02m, *against* $5.5m.

Sales for the period declined 5.2 per cent to $80.6m.

The only bright spot in the figures was the 10.8 per cent rise in operating profit to $7.72m. But this gain was negated by lower property sales, start-up *losses in its Straits/Japan* container trade, higher interest costs and losses in the operation of its ship, Centaur, under Blue Funnel (Southeast Asia). Operating *problems in the group's* oilfield supplies sector reduced associated company earnings.

Glynwed Limited–Interim Results

The unaudited results of the group for the 26 weeks ended 30th June 1979 together with the comparable figures for the corresponding period of the previous year and the final audited figures for the 52 weeks ended 30th December 1978 are summarised below.

	1979 26 weeks to 30th June £'000	1978 26 weeks to 1st July £'000	1978 52 weeks to 30th Dec. £'000
Turnover of the group	**169,852**	165,290	316,437
Group trading profit	**10,758**	10,272	19,978
Interest charges	**2,123**	1,813	3,898
Group profit before taxation	**8,635**	8,459	16,080
Group profit after taxation (see note)	**5,569**	5,679	11,746
Minority interests	**80**	(64)	91
Extraordinary items	–	–	727
Group profit after extraordinary items	**5,489**	5,743	10,928
Dividends:			
Preference	**35**	35	70
Ordinary	pps	pps	pps
Interim	**2.45 1,599**	2.45 1,599	2.45 1,599
Final	–	–	6.70 4,374

Note: Taxation has been charged in respect of the first half of 1979 at the estimated rate chargeable for the year.

Trading Results

Group profit before taxation for the 26 weeks ended 30th June 1979 amounted to £8,635,000 compared with £2,459,000 for the corresponding period of 1978

The Building and Consumer Products divisions showed some increase in profitability over that of the first half of 1978, although this was partly offset by the cost of financing the higher price of copper.

The Steel and Engineering divisions remained firm but losses were incurred in Foundries where market conditions have deteriorated and where reorganisation is continuing

Competition and reduced margins adversely affected the Stockholding and Distribution divisions. The South African subsidiary of which the group owns 67.5%, is now trading at a profitable level following the rationalisation of its distribution and manufacturing facilities.

Ordinary dividend and prospects

The directors have declared an interim dividend for the 52 weeks ending 29th December 1979 of 2.45p per share (1978 – same) payable on 19th December 1979 to ordinary shareholders on the register at close of business on 3rd September 1979.

The directors consider that the group profits before taxation for 1979 will show some improvement over 1978. However, the outlook for the second half of the year must be viewed with caution because of the uncertain economic climate.

GLYNWED

Glynwed Limited, Headland House, New Coventry Road, Sheldon, Birmingham B26 3AZ.

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Glynwed expects to top £16m

AXABLE profits of Glynwed oved slightly ahead from .46m to £8.64m for the first alf of 1979 on turnover of 69.85m against £165.28m.

The directors consider that ofits for the full year will show me improvement over last ar's record £16m. But they ew the outlook for the second alf with caution because of the certain economic climate.

The profit for the six months as struck after higher interest £2.12m compared with £1.81m d was subject to tax of £3.07m 2.78m). Net profit came out wer at £5.57m (£5.68m).

The interim dividend payment maintained at 2.45p net per p share—last year's final was 7p.

The building and consumer oducts divisions showed some crease in profitability although is was partly offset by the cost financing the higher price of pper, the directors state.

The steel and engineering visions remained firm but sses were incurred in undries where market conditions have deteriorated and here reorganisation is continu- g.

Competition and reduced argins adversely affected the ockholding and distribution visions, they add.

The South African subsidiary, of which the group owns 67.5 per cent, is now trading at a profitable level following the rationalisation of its distribution and manufacturing facilities.

See Lex

Provisions hit Bristol Post

FROM turnover of £21.23m against £18.28m, pre-tax profits of the Bristol Evening Post amounted to £1.68m in the year ended March 31, 1979 compared with £1.77m in the previous year.

The profit is after an extraordinary charge of £401,000 against £120,000 which mainly comprises provisions against interests in an associated company.

The new accounting policy for deferred tax has been adopted and comparisons are restated.

Tax takes £878,000 (£872,000) giving earnings per share of £18.82p against 17p. The final dividend is 4.75p lifting the year's total from 6.42p to 7.75p.

David Dixon steps up dividend by 129%

GAINST a forecast dividend se of 43 per cent, made at the me of the rights issue last ovember, David Dixon and Son oldings has decided to lift the tal, for the year to March 31, 979, by 129 per cent from 7139p to 8.5p, with a final of 7245p net. The payment for e year is covered 4.9 (2.9) mes.

For the 12 months pre-tax rofits show a 76 per cent jump 81 per cent halfway—at a cord £863,000, on a 23 per cent nprovement in turnover.

Mr. H. Turpin, chairman, eports that trading was buoyant, articularly in the last quarter, nd production at all the group's ictories has been at full stretch. n certain areas had there been ificient productive capacity to ulfil all the inquiries, profits ould have been higher. Substantial capital investment is eing planned—commitments ontracted for at March 31 otalled £263,000 (£24,000) and thorised but not contracted nounted to £1.18m (£23,000).

In the year under review, sock vision profits increased by 160 r cent and Mr. Turpin says at the policy of producing and lling in a higher price market now showing the desired turn.

On the future, he expresses nfidence that the company will ve another good year. At esent the group is very liquid d orders are higher than at is time last year. Woollen oth production for autumn 1979 fully booked and cloths for xt spring have been well ceived.

On March 11 a fire destroyed e factory of S. Mayers of Leek. to this point the company is enjoying another successful ar. Despite this disruption, the oup's insurance cover will sure that Mayers is able to intain its budgetted contribution to group profits next year.

It has been decided to build another factory in Leek, solely for fabric knitting, and it is expected that the building will be ready for occupation in April 1980.

Before extraordinary credits of £957,000 — of which £943,000 represents the surplus of insurance monies over the book value of property and plant at Meyers — yearly net earnings per 25p share advanced from 12.6p to 25.3p.

The AGM of the group, which manufactures woollen cloth, hosiery, underwear and other products, will be held at Leeds on September 7 at 11.45.

Hunting Gibson sells vessel for £7m

The directors of Hunting Gibson say the vessel, M.V. Tyne Bridge has now been sold—as foreshadowed—for £7m. After allowing for the amount due to Nile Steamship Company, brokerage, selling expenses and other costs there is a surplus of approximately £1m.

As explained in the circular of May 15 the vessel remains entered in the Seabridge consortium until April, 1982, and charter-back arrangements have been made.

The surplus will be set aside, reviewed periodically and released if appropriate in the light of potential charter income and costs.

In accordance with the agreement the 25-year charter of the vessel from Nile Steamship has terminated and Hunting Gibson has issued 300,000 ordinary shares for cash at 180p per share, to Finance for Shipping.

Benn Brothers exceeds £1m: second half growth

TER being down from 16,600 to £370,400 at midway, ofits before tax of Benn others rose to £1.13m for the ar ended June 30, 1979, compared with £714,000 previously.

Mr. Richard Woolley, chairman, says the second half's performance was particularly satisfactory in view of the difficult nditions in the early months 1979 and more long-term vestment.

The group is looking for a nificant improvement to ofits in the year ahead, he says.

Stated earnings per share in 78-79 were 8.22p against 6.36p fore extraordinary items. The al dividend is 2.1p lifting the al from 2.36565p to 3p.

Turnover increased from £9.2m £10.71m. Pre-tax profit last r was after an exceptional bit of £226,000.

The chairman says journal revenues were buoyant and Tolley Publishing maintained its momentum. The results of the book publishing subsidiary, Ernest Benn however, were affected by difficult trading conditions and operating problems.

	Year 1978-79 £000	1977-78 £000
Turnover	10,706	9,202
Profit	1,125	940
Exceptl. debit	—	226
Profit before tax	1,125	714
Tax	508	288
Extraord. debit	—	16
Dividends	265	158
Retained	352	252

Profit on the sale of property at Coombelands contributed £95,677 to group results.

Planning permission has been granted for new offices to be built—for completion in mid-1981—at Tonbridge which will become a major publishing centre.

Chubb order book higher

Lord Hayter, chairman of ubb and Son, told shareholders at the annual meeting in ndon that after the winter in UK it was not surprising that group made a slow start in ril. Results were not helped her by industrial action in erations overseas in Canada d Europe.

Since then there had been a ady improvement and in June, group was much nearer the nthly target.

Every effort was being made to tch up in the months ahead d with an increased order book mpared with the previous year ve are quietly optimistic of the tcome."

Pointing out that the company s not alone in taking a cautious w of the future, the chairman d much would depend on ents in the forthcoming tumn and winter.

f the nation faced industrial rest on anything like the scale the earlier part of this year, en industry would be in for a rd time.

Lord Hayter stressed the importance of the silicon chip in fight against crime and rorism.

By reducing the moving parts mechanical or electromechanical devices it made equipment more reliable than ever. But that was only the beginning. "We are using micro electronics to give our equipment a new dimension in an integrated system of total security."

Sir Ieuan Maddock, former chief scientist at the Department of Industry, was formally elected to the Chubb Board.

Blackwood Hodge (Canada) rise

Pre-tax profits of Blackwood Hodge (Canada), 75 per cent owned subsidiary of Blackwood Hodge, earth moving equipment group, jumped from C$600,000 to $2.1m for the first six months of 1979 on turnover of $63.3m against $54.1m.

The directors state that although the short-term economic prospects are uncertain they believe that earnings for the full year will be in excess of 1978.

Tax for the first half takes $543,000 ($278,000) leaving a net profit of $1.55m ($324,000).

Tootal may sell Van Allan chain to UDS for £16m

Tootal, the Manchester-based international textiles group, is planning to sell its 160-shop Van Allan womenswear chain in a deal understood to be worth about £16m.

No details have yet emerged but the buyer is thought to be the UDS Group, which already operates Richards Shops and a string of other retail groups, including Alexandre in menswear, Timpson in shoes and Allders department stores.

The move, expected to be confirmed within the next few days, represents a complete withdrawal from UK retailing by Tootal which is believed to have decided that the money will be better spent developing its mainstream textile activities.

The group sold its Harry Fenton menswear shops in the early 1970s, and in 1975 disposed of its Hide Group of department stores to House of Fraser. Van Allan has been regarded as a different case, since it gave Tootal, with its involvement in making fabric and womenswear, an opportunity to study developments in the market place.

But after several good years, Van Allan has been struggling for the past two years, and last year's £1.5m profit on £20m sales included a £1.2m from property disposals. This year the chain's shops have again been affected by poor weather during the critical spring and summer buying period.

The deal will release funds for investment at a time when Tootal is looking at ways of improving the efficiency of its UK spinning, finishing and clothing operations to meet the increasingly tough competition from suppliers in developed as well as developing countries.

The company is also expanding in the Far East where it is a major force in making sewing thread with factories in Malaysia, Hong Kong and the Philippines.

The acquisition will give UDS increased penetration of womenswear retailing and increased flexibility in developing its position in the marketplace. Van Allan has over the past year been changing its merchandise to cater for the over 25s as well as the under 25s. The aim is to retain customers as they grow older and to move away from the areas of greatest High Street competition.

The sale, if it goes ahead, will still leave Tootal with a stake in retailing in the U.S. where it bought the Ups 'N Downs chain of womenswear shops last year for $19m.

Britannia Arrow offers £5m for Siemssen Hunter rump

Britannia Arrow Holdings, formerly Slater Walker Securities, is bidding £5m in cash for Siemssen Hunter and has already won acceptances from holders of 44.7 per cent of the equity.

The bid is worth 88p per share, but Britannia has made it clear that its diversification into the financial services field extends only into the specialist publishing sector and not Siemssen's main cigar importing activities.

The investment banking and unit trust management group has therefore entered into a put and call option agreement in respect of the issued share capital of J. Frankau (the Siemssen subsidiary engaged in cigar importing) with a consortium comprised of Mr. Nicholas Freeman (chief executive of Siemssen), the Hambro banking group and certain of its institutional clients for a total exercise price of £1.86m payable in cash.

In effect, this somewhat unusual sub-deal means that Britannia can only put shares in Frankau on members of the consortium while the consortium can only "call" Frankau shares on Britannia.

The cigar importing subsidiary made pre-tax profits of £393,000 in 1978 while the Siemssen group as a whole produced £1.12m. The offer price and option values Frankau on an exit p/e of 10.1, the entire group at 9.7 historically which implies an historic exit multiple of 9.5 for the rump of the activities which Britannia wishes to acquire.

The Siemssen quote was frozen at 78p on June 22 last and the longevity of the suspension had aroused some disquiet. It seems, however, that the cigar importer and specialist publisher had received an initial offer which, as it faded, was immediately replaced by Britannia's approach.

Britannia, which has already established a core of a second area of expansion through the Seymour Press, the EP group and Autobooks, has been advised by J. Henry Schroder Wagg. Siemssen is represented by Robert Fleming while the Frankau consortium is advised by Hambros Bank.

DALGETY SELLS MCKERNAN STAKE

MP United Drug Company and McKernan Chemical Developments have merged their chemical manufacturing and consultancy businesses and will in future trade as MP United Drug Company.

Dr. W. M. McKernan, the founder of the two companies, retains 51 per cent of the equity and continues as managing director and chief executive. Mr. L. R. Dowsett, whose family has acquired the 49 per cent stake in McKernan Chemical Developments held by Dalgety International, has joined the board as chairman.

MP United manufactures speciality grades of calcium chloride, and has developed new high quality grades of soda lime for use in diving and submersibles for the North Sea oil industry.

Advantage one-sided—Bestobell

BY ANDREW FISHER

Bestobell continued its efforts to evade BTR's increased bid yesterday, reinforcing its argument for rejection with the sharp rise in interim profits announced this week.

"There would be no significant commercial advantages to Bestobell in being owned by BTR," Mr. Sandy Marshall, the chairman, wrote in a letter to shareholders. "Any advantage would be one-sided—for the benefit of BTR."

At the same time, however, BTR's share price gained a further 15p yesterday to 330p, putting a value of 242p a share on the equity content of the bid. BTR is offering 11 shares for 15 of Bestobell's, which rose 6p to 228p.

The actual cash offer has risen from 200p to 220p a share, valuing the fluid engineering and insulation company at £29m; the share exchange terms value it at nearly £32m on the latest BTR price.

Mr. Marshall said that the interim figures published on Tuesday, showing a 37 per cent rise in pre-tax profits to £3.26m, formed a sound base for the year. For all 1979, Bestobell is forecasting an increase of at least 30 per cent to more than £8.3m.

BTR has cast doubt on Bestobell's ability to attain its predicted profit level, though, and Mr. Owen Green, BTR's managing director, said yesterday that "we are still sceptical."

The Bestobell letter said that the company's Board saw signs of indigestion within BTR as a result of its recent acquisitions. By adding Bestobell, which would raise its UK work force by a fifth, BTR would only aggravate the problems of absorbing these, it said.

Mr. Green replied that BTR had been expanding, acquiring and investing for 12 years. "If we don't know how to eat our meals without getting indigestion, I don't know who does."

His aim in acquiring Bestobell, he said, would be to take its return on sales up to its own level of 11 per cent from the rate of 7.6 per cent shown in Bestobell's interim figures.

But if BTR failed to purchase the company, it would be content to wait with its present holding until a more suitable time, as it did with Silentbloc.

So far, BTR has managed to obtain 22 per cent of Bestobell's shares, including the 4.5 per cent of acceptances received by the closure of the first bid last week.

Institutions hold around half of the company's shares. Britannic Assurance, the major shareholder with a 10 per cent stake, is reserving any comments on its own attitude until today. But one major institution, with a small stake in Bestobell, said it still felt the BTR offer was too low. BTR has said it will not increase its offer, which closes on August 17.

Most of Bestobell's activities complemented those of BTR, he added. There would hardly be any duplication and "there are no bits of Bestobell we don't want."

Commenting on BTR's own future, he said the eventual aim was a rough three-way split of activities between Europe, the Americas and the Far East. The present proportion is broadly 20 per cent in the U.S., 20 per cent in the Far East—"the growth area of the world"—and 60 per cent in Europe.

Although Bestobell was a UK-based company, a large part of its operations were overseas, he noted. As for the future of Mr. Marshall himself if the bid were successful, he said, this would obviously have to be discussed. "But I don't suppose he would be likely to feel he had a major part to play in the new situation." Mr. Marshall, a former chief executive of P & O, left the group earlier this year after a policy dispute.

WELLMAN/REDMAN

Adamant that it will not lift its 65p per share cash offer for Wellman Engineering and underlining its determined opposition to the proposed purchase of General Electric's Industrial Heating Business Division, Redman Heenan International announced yesterday that it had acquired 390,000 Wellman shares at 63½p per share.

Redman's offer closes tomorrow before Wellman shareholders vote on the IHBD deal next Monday. The bidder, which has made it plain that it will withdraw if the U.S. purchase is approved, now holds around 24 per cent of the Wellman equity and is thought to have received acceptances to lifts its level of control to around 35 per cent.

Redman, however, may only vote registered shares against the IHBD resolution.

LINDUSTRIES

Hanson Trust's offer for Lindustries will be posted by the end of next week. The ordinary offer of 135p cash per share will not be increased.

MIDLAND NEWS

C. C. Claverley is now prepared to purchase all or any of the 5.5 per cent cumulative preference shares of £1 of Midland News Association through the market and has instructed Hoare Govett to carry out the purchases on its behalf.

The price offered is 65p, which is subject to normal Stock Exchange market expenses, commission and contract stamp duty.

The offer will be open until September 21 but will not necessarily be available after that date.

NO PROBE

The proposed acquisition by BICC of Vero Electronics and Vero Precision Engineering is not to be referred to the Monopolies Commission.

SHARE STAKES

W. H. Smith and Son (Holdings)—P. W. Bennett, director, has disposed of 38,000 "B" ordinary at 33p.

Brigray Group—Mr. J. Shane and Mrs. B. Shane have disposed of 30,000 shares, their joint holding now being 947,000.

Barr and Wallace Arnold Trust—J. M. Barr, director, has disposed of 20,000 "A" ordinary and now holds 272,675 (5.545 per cent). D. Y. Smith, director, has disposed of 10,000 ordinary and now holds 10,000 (0.947 per cent), and acquired 2,500 "A" ordinary. S. A. Barr, director, has disposed of 19,500 "A" ordinary and now holds 54,533 (1.719 per cent). W. Berry, director, has disposed of 800 "A" ordinary and now holds 2,400 (0.049 per cent).

LONDON TRUST

Following the restructuring of the loss-making London Investment Trust, once headed by Mr. Oliver Jessel, the three present directors and their families together own just over 29 per cent of the shares.

Mr. John Arthur, the chairman, has 1m shares and his family a further 500,000, giving an overall stake of 8.86 per cent. Mr. Charles Clifford-Turner and his family have an equal holding, while Mr. Peter Berry has 1m shares and his family 965,000 for a total interest of 11.6 per cent.

The changes in structure involved a reduction of share capital, the injection of about £365,000 through a rights issue and subscription by directors and associates, and an offer to small shareholders to sell out free of Stock Exchange costs.

Palabora's first half earnings advance

BY KENNETH MARSTON, MINING EDITOR

BOOSTED first half profits are reported by the Rio Tinto-Zinc group's big Palabora open-pit copper producer in South Africa. But the company expects that second half earnings will be lower owing to the recent fall in copper prices and the sharp increases in fuel costs.

Net earnings for the first half have advanced to R2.4m (£11.8m) from only R9.39m in the same period of last year. Despite the anticipated easing in second half profit the total for this year is clearly going to well exceed the R25.7m earned in 1978.

Meanwhile, dividends remain on the rising trail. A second interim now declared of 22.5 cents (11.8p) follows the first interim of 20 cents. For 1978 there were two interims of 12.5 cents followed by one of 17.5 cents and a final of 27.5 cents, making a total of 70 cents against 45 cents in 1977.

A good many fingers have been crossed at Palabora's treatment plant while operations have been maintained despite defects in the two new autogenous mills. The needed replacement shells have at last arrived, however, and one of the mills has been repaired and is working satisfactorily. Reconstruction of the other mill should be completed this month.

Following the latest results—and a sharp improvement in copper prices yesterday—shares of Palabora were raised by 50p to 450p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Anglo American Gold, Anglo-International Investment Trust, Automotive Products, Goode Durrant and Murray, Hawtoy Leisure, Mercantile Investment Trust, Ratcliffs (Great Bridge), Belyon P.B.W.S., Rights and Issues Investment Trust, Wolf Electric Tools.

Finals—Atlas Investment Trust, Associated Tooling Industries, Diamond Stylus, Estates Property Investment, Hollins, London and Liverpool Trust, Longton Transport, David S. Smith.

FUTURE DATES

Interims—	
Bowater	Sept. 11
Corel Leisure	Aug. 17
Dares Estates	Aug. 16
Hongkong and Shanghai Bnkg.	Aug. 21
International Investment Trust	Aug. 16
Low and Bonar	Sept. 17
Metal Closures	Sept. 10
Morris and Blakey	Aug. 14
Finals—	
Gresham Investment Trust	Aug. 14
Vibroplant	Aug. 13
Webb (Joseph)	Aug. 15

New Wits and Vogels do well

GOOD RESULTS are announced by two of the Consolidated Gold Fields group's South African companies. Helped by a rise in its gold income the investment concern, New Witwatersrand Areas, has raised net profits for the year to June 30 to R3.66m (£1.92m) from R2.45m.

A final dividend of 16 cents (8.4p) brings the year's total to a 1.3 times covered 24 cents against 16 cents for 1977-78. The shares rose 4p to 113p in a generally firm gold share market yesterday.

The group's base-metals investment concern, Vogelstruisbult Metal Holdings, reports a first half 1979 profit of R1.6m which equals earnings of 10.5 cents per share. It compares with R1.3m in the first half of 1978 and a total for that year of R2.5m.

The current year's interim is raised to 5 cents from 4 cents last time when the final amounted to 8 cents. Vogels states that investment income in the current half year is expected to be higher than in the first half. The shares were 72p yesterday.

Berjuntai Tin profits fall

MALAYSIA'S MAJOR tin producer, Berjuntai Tin Dredging reports a lower profit for the year to April 30 of M$17.16m (£3.52m) compared with M$20.2m in the previous year. A reduced final dividend of 40 sen (8.2p) less tax at 40 per cent makes a total for the year of 95 sen against 110 sen.

Although Berjuntai received a higher price for its tin the benefits of this were outweighed by a fall in tin concentrate production to 4,123 tonnes from 4,986 tonnes in 1977-78. As already announced, the company has entered into a 30 per cent partnership in a new joint tin venture with the Selangor state government.

Lower Perak Tin Dredging has also suffered from a fall in output with the result that its pretax profit for the year to April 30 is below that of the previous year.

However, a reduced tax charge — arising out of the issue of major dredge spares—has left a net profit of M$992,000 against M$$75,000. There is to be no final dividend following the interim already paid of 50 sen less tax.

The other companies in the Malaysia Mining Corporation group to announce results, Southern Kinta and Kamunting, have suffered only modest shortfalls in production with the result that the higher tin prices have left them with increased earnings.

Thus, Southern Kinta reports a net profit for the year to March 31 at M$6.91m against M$4.38m. A final dividend of 90 sen less tax makes a total for the year of 150 sen against only 70 sen for 1977-78.

Kamunting has earned in the same period M$1.18m against M$175,000. The final dividend goes up to 40 sen less tax to make a total for the year of 47½ sen against 12½ sen.

Malaysia state tin company seeks listing

THE MALAYSIAN authorities are expected to approve the first listing of a Government-controlled company on the Kuala Lumpur Stock Exchange, reports Wong Sulong from Kuala Lumpur.

It is the tin-producing Timah Langat, a subsidiary of the Selangor State Government's Kumpulang Perangsang mining arm. The latter owns 56 per cent of the company's paid-up capital of M$8.55m (£1.75m) in M$1 shares, the rest being held by several Malay financial institutions.

However, according to Mr. Ahmed Said, the managing director of Timah Langat, only about 20 per cent to 25 per cent of the company's shares would be quoted in order to ensure that it remains in Malay hands.

He added that the purpose of the listing was to ascertain the true market value of the shares and to allow flexibility to its shareholders. The performance of the shares will be closely watched by the market and by the authorities because its success could lead to the listing of more Government-controlled companies.

Helped by the higher tin price and an increased tin concentrate production of 1,212 tonnes, Timah Langat made a pre-tax profit last year of nearly M$10m and paid a dividend of 50 cents. Production for the first half of this year has already exceeded the 1978 total.

More apply for UK exploration aid

APPLICATIONS FOR Government aid for UK mineral exploration under the Mineral Exploration and Investment Grants Act 1972, rose to £1.7m in the year to last March. This compares with £844,336 in the previous year and only £289,154 in 1976-77.

The Department of Industry's seventh annual report on the Act shows that in the latest period 15 companies—12 British and three overseas companies registered here—applied for the aid for 24 exploration projects or further stages of existing projects.

Of the total, 17 projects were for non-ferrous metals exploration, three for fluorspar, two for barium minerals and two for potash.

The report says that the amount of assistance approved by the DoI for these projects was £993,220. This brings the total assistance granted since the Act came into force in 1972 to £2.6m, applications having totalled £4m.

In all, 48 companies involved in 174 projects have applied for the assistance. A total of 78 projects were in Scotland, the rest being in Wales, South-West England, North England and Pennines, and West Midlands.

In addition to the assistance already awarded, applications for a further £1.4m involving 13 projects are still under consideration. Work on 111 projects has been finalised.

Under the Act, the Government is enabled to give financial aid towards exploration for mineral deposits in Great Britain and on the UK Continental Shelf. Companies may apply for up to 35 per cent of the costs of searching for non-ferrous metals, fluorspar, barium minerals and potash.

Full details of the scheme are set out in a booklet, "Financial Assistance for Mineral Exploration in Great Britain: A guide for Industry." It is obtainable from the DoI, PTM 2B Ashdown House, 123 Victoria Street, London.

The increase in applications for aid reflects the growing interest in UK mineral possibilities coupled, of course, with the inflation of exploration costs.

Mineral Exploration and Investment Grants Act 1972: Seventh Annual Report by the Department of Industry, HMSO 40p.

NORTH AMERICAN NEWS

CIT enters battle for Integon

BY JOHN WYLES IN NEW YORK

CIT Financial Corporation, which had merger talks last month with RCA, presented itself yesterday as a rival to Anderson Clayton in a $217m bid to acquire Integon Corporation, a North Carolina insurance company.

City's intervention came very much at the 11th hour, since Anderson Clayton's offer to buy Integon for $35 a share in cash or notes was due to expire late yesterday unless it was accepted by Integon's directors. CIT's acquisition proposal is identical to that of Anderson Clayton, and the Integon Board was locked in a long meeting yesterday trying to decide between fighting for continued independence or possibly encouraging a bidding contest.

Both offers would yield a substantial premium over Integon's book value of around $17 per share, which has also been its recent trading price on the New York Stock Exchange before Anderson Clayton announced an initial $32.50 offer earlier this month.

Integon's activities in life, health, accident, property and liability insurance would fit neatly into CIT's diversified financial services operations. These include industrial and consumer financing, casualty and life insurance, banking, retailing and greetings card and office equipment manufacturing.

A company with annual sales of $5bn, CIT has recently revealed an interest in acquiring another insurance company in the wake of its abortive merger talks with RCA. These reportedly foundered on the inability of the two sides to agree on a price for CIT's stock.

For its part, Anderson Clayton is a diversified food processor which already has insurance interests.

Integon's total income last year was $203.6m and its earnings around $14m. The company's earnings used to be cyclical because of its substantial sales of credit, life and health policies in the east and midwest, where unemployment tended to run strongest during economic downturns. Its life policy and property casualty businesses have shown good growth, and the company has been the centre of takeover speculation on several occasions during the past year.

Sharp rise at Dome Petroleum

BY ROBERT GIBBENS IN MONTREAL

DOME PETROLEUM, the Calgary-based oil group, announced a 30 per cent increase in earnings for the first half to $48.7m, or from 84 cents to $1.09 a share. Sales gained 38 per cent to $348.7m.

The per share earnings figures reflect the fourfor-one stock split announced in May.

Production of oil, natural gas liquids and oil equivalent rose by 64 per cent to 88,771 barrels a day in the period reported.

Dome has also revealed test details from one of its discovery wells in the Beaufort Sea, first reported a year ago. The company's three drill ships returned to their Beaufort Sea locations early in July.

Dome said the Ukalerk well has been completed and tested gas from a sand at about 6,600 feet. Flow rate was 3m cu ft daily through a restricted choke, "giving a calculated open-flow potential of 85m cu ft per day."

Dome also said the deep sections of the well yielded traces of oil. The original Ukalerk two years ago tested gas from a 90 ft zone between 6,530 and 6,620 ft at an estimated open-flow rate of over 200m cu ft daily.

Emerson Electric moves ahead

BY OUR FINANCIAL STAFF

EMERSON ELECTRIC, the fast-growing St. Louis-based manufacturer of electrical and electronic products, is confident of record results for fiscal 1979 but expects 1980 to be a difficult year.

Third quarter results now announced show net earnings 16.3 per cent up from $45.59m or 77 cents a share to $53.02m or 88 cents a share, on sales increased from $576.7m to $692.2m. Nine-month earnings rose by 15 per cent, from $130.5m or $2.21 a share to $150.6m or $2.53 a share with sales up from $1.67bn to $1.92bn.

The company states that it has taken steps to protect profitability in a declining economy. Contingency plans have been developed for each division, inventories have been brought into line with sales expectations, and capital spending programmes have been deferred.

Itel to sell Railcar unit

By Our Financial Staff

THE COMPUTER leasing concern Itel has agreed in principle to sell substantially all of the assets of its Itel Railcar subsidiary to Lamson and Sessions. Itel which has some $10m invested in the subsidiary, declined to reveal the amount of the deal.

Earlier this week, the company predicted a second quarter loss of $60m

Airline drops merger plan

BY OUR FINANCIAL STAFF

CONTINENTAL AIR LINES' directors have voted to end the planned merger with Western Airlines, following last month's rejection denial by the Civil Aeronautics Board. Mr. Robert Six, Continental's chairman, said it was clear the CAB was determined to prevent the merger, and felt there was no point in restricting either company by continuing the agreement.

Continental also revealed that second quarter earnings advanced from a corresponding $9.25m to $11.63m, or from 58 cents per share diluted to 72 cents.

But half-year earnings were down from $32.65m to $7.09m, or from $2.00 to 47 cents a share. The latest figures include special gains totalling $5.2m, against $19.3m in the 1978 first half.

Brighter outlook for oil service industry

By David Lascelles in New York

THE CONSPICUOUS winners from the fast-rising price of oil in the U.S. are the oil companies. But prospects are also brightening for the companies that serve the oil industry—the makers of drilling equipment and the suppliers of drilling services. In fact, the oil service industry could be in for several years of fast growth, Wall Street analysts believe, although some fear that Washington may stifle it with excessive taxation and regulation.

These improved prospects mark something of a turnround for an industry which has gone through a thin time over the past year or so, due mainly to bad weather and uncertainties over energy policy.

The industry's key indicator is the count of active oil and gas drilling rigs put out by Hughes Tool, the large Houston-based maker or drilling equipment.

According to Hughes, the count has been running 10 per cent or more below last year's levels. In July, for instance, the number of active rigs both on and offshore was 2,094, compared with 2,307 last year. Hughes is also projecting that the monthly average for the whole of 1979 will be 2,259, exactly the same as last year, though with the count already lagging behind last year's rate, this number may not be achieved.

However, the energy crisis now besetting the nation has led to renewed interest in developing domestic resources, and a number of measures are afoot to stimulate exploration for oil and gas.

One of the most important of these measures is President Carter's decision to phase out controls on oil prices over the next two years. This, combined with last year's legislation easing controls on natural gas, should make it more profitable for oil and gas prospectors to go out and drill.

There are a couple of clouds on the horizon, however. Mr. Carter linked the decontrol of oil prices to a tax on the windfall profits that the move will bring. Although that measure is still going through Congress, and will not be finalised before autumn, it is expected to tax about 50 per cent of windfall earnings, leaving proportionately less money for increased exploration and production. There is a possibility, though, that independent producers will be exempted from the tax. This would be a major boost, since the independents account for the vast majority of all onshore wells drilled.

The other cloud is regulation. The huge volume of government rules covering oil and gas production has reached the point where it is obstructing the industry. For example, there is now an enormous backlog of requests by gas producers for price certification. This is the process by which the authorities certify a well as qualifying for a particular selling price. Until a well is certified, the driller cannot recoup his expenses and move on to drill another one.

One solution to the problem of over-regulation may be Mr. Carter's proposal for a so-called Energy Mobilisation Board, with special powers to cut through red tape in order to help vital energy projects.

EUROBONDS

Dollar issues edge ahead in quiet trading

By Francis Ghilès

ALL MAJOR sectors of the Eurobond market were quiet yesterday, althought the volume of trading in the dollar sector continues to improve, according to a number of dealers.

The $80m convertible Yankee bond for Canon has been priced at par by Goldman Sachs, the lead manager. The bonds mature in 1994, have an average life of 11.8 years and carry a coupon of 6¾ per cent. The conversion premium has been set at 10½ per cent.

In the foreign Deutsche-Mark bond sector, prices were stable yesterday in very quiet trading. The DM 400m issue for the World Bank announced earlier this week was quoted at a discount of ½ point from par in pre-market trading. Final terms for this private placement include a coupon of 7 per cent for six years with pricing expected at par.

Prices in the domestic D-Mark market were off by up to 70 basis points at the shorter end but longer dated bonds posted gains of up to 20 basis points. Overall the Bundesbank bought DM 30.4m worth of paper in the market.

In the Dutch guilder foreign bond market, prices were very firm yesterday following the success of the latest government domestic bond tender, which met with very strong demand. This Fl 800m issue was priced at 100¼. Other final terms include a coupon of 9 per cent and a split maturity of six and 15 years.

In the Swiss franc sector, prices of seasoned foreign bonds have not moved since the beginning of the week. Three private placements, two of straight bonds and one convertible have just been arranged.

Autopistas Vasco Aragonesa have arranged a SwFr 60m six-year bullet issue through Soditic. Three-quarters of the total amount carries a guarantee from four Spanish banks, Banco Popular, Banco de Vizcaya, Banco de Bilbao and Banco Zaragozano. On this portion of the private placement, the horrower is paying a coupon of 5¼ per cent. On the unguaranteed portion he is paying a coupon of 5¾ per cent. Both tranches have been priced at par.

Crédit Suisse has completed a SwFr 50m five-year private placement for the South African Oil Fund. This issue is guaranteed by the Republic of South Africa and carries a coupon of 5¼ per cent.

The same bank is arranging a SwFr 30m five-year convertible for Sumitomo Forestry with a coupon of 4¾ per cent.

ALFA ROMEO AT A WATERSHED

Joint venture talks range from the U.S. to Japan

BY PAUL BETTS IN ROME

ITALY'S TROUBLED state-controlled Alfa Romeo car manufacturing group, which lost last year some L126bn ($150m) and has constantly been plagued in recent years by labour unrest and low productivity, has now reached a watershed. During the past few weeks, the car group has been at the centre of a bitter and confused controversy following conflicting speculation over its future and reports of its eventual sale to Fiat or a foreign company.

Sig. Franco Viezzoli, chairman of Finmeccanica, the state holding which controls Alfa Romeo, indicated yesterday Finmeccanica had no intention of losign control of the car group. However, it was now looking for international or domestic partners for eventual joint ventures with whom to co-operate to make easier the economies of scale required by a low volume manufacturer like Alfa Romeo.

Alfa Romeo, which employs about 40,000 people and produces about 220,000 cars a year, represents the biggest thorn in Finmeccanica's side. Although the state holding company has succeeded in cutting back its overall losses from L275bn in 1975 to an estimated L134bn this year, Alfa Romeo alone will lose L100bn for 1979.

In an attempt to launch a recovery of the Italian car group, the managements of both Finmeccanica and Alfa Romeo have for some months been holding talks with several Japanese, American and European car producers. Indeed, they do not exclude that a joint venture agreement could eventually entail a minority participation of another group in Alfa Romeo.

Finmeccanica has, however, indicated it would prefer to enter into a collaboration deal with Fiat rather than a foreign company—as long as the conditions were the same. This reflects an improvement in relations between the Italian state sector and private industry.

Although less obvious, there has also been an improvement recently in labour relations and a more constructive dialogue between the trade unions and the state car group. Despite the recent wave of strikes as a result of the renewal of the engineering and metalworkers contract, productivity is understood to have improved by 10 per cent this year at both Alfa Romeo's northern plant near Milan and the particularly heavy loss-making Alfa Sud plant near Naples in the South.

According to Sig. Viezzoli, the search for a partner is consistent with the strategies of the holding company, whose turnover last year totalled some $3bn of which 45 per cent was represented by exports. Indeed, it was through such agreements that Finmeccanica's two other main sectors—aerospace and energy—are now on the road to financial recovery.

Alfa Romeo will stay heavily in the red this year. But the Italian state holding company, Finmeccanica, has no intention of relinquishing total control of the car maker

In the case of the energy sector, Finmeccanica is now in advanced negotiations for a substantial contract involving the sale of nuclear plant equipment to Argentina.

Initially, the deal, estimated at this stage at some $1bn, involves the construction of a plant with two 600 mgw Candu heavy water reactors under Canadian AECL licence. Finmeccanica and AECL are competing against the West German Siemens group for the contract, which could eventually lead at a later stage to the construction of three other nuclear plants in Argentina.

In view of delays in the Italian energy plan Finmeccanica has been forced to look towards exports for its energy sector. It is also holding preliminary talks with the Soviet Union and Yugoslavia for major energy deals.

In the aerospace sector, Finmeccanica's subsidiary Aeritalia, which lost L16.8bn last year is now confident its financial performance will improve following its collaboration deal with Boeing on the U.S. group's new B-767 medium haul airliner.

However, to resolve Finmeccanica's immediate financial problems, the fruit of heavy accumulated losses and debts in recent years, the holding company's capital of L400bn is shortly expected to be increased substantially. At the same time the company, which has had like other Italian state sector industries difficulties in consolidating its financial position in Italy, is continuing to turn to the international markets to consolidate its position abroad.

During the last 18 months Finmeccanica has raised $650m on international financial markets, and it has just negotiated successfully two new medium fundings for a total of $100m with a consortium of Arab banks and a group of Japanese credit institutions.

But the key issue, Sig. Viezzoli stressed, remains Alfa Romeo if the holding company is to eventually return to balance. If a foreign or Italian partner cannot be found soon to rationalise the production of the car group, especially of the Alfa Sud plant, help Alfa Romeo recover its economic viability and lay the basis for the car company's future in the next ten years, Finmeccanica would have to look to some other, and perhaps less satisfactory, solution.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on August 8

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alex Howden XW 9½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australian Res. 9¾ 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Avco O/S Cap. 10¼ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bayer Int. F. XW 7¾ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beneficial Fin. 9¾ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Pacific [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Carter Hawley [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comalco Inv. Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Continental Grp. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dome Petroleum [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dominion Bridge [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dow Chem. O/S [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.

† Only one market maker supplied a price.

[illegible]

AMERICAN QUARTERLIES

HERSHEY FOODS

Second quarter	1979 $	1978 $
Revenue	249.94m	181.81m
Net profits	10.48m	6.17m
Net per share	0.74	0.45
Six months		
Revenue	527.79m	342.69m
Net profits	22.83m	16.49m
Net per share	1.61	1.20

JOSTENS

Fourth quarter	1979 $	1978 $
Revenue	96m	88m
Net profits	10.77m	9.01m
Net per share	1.36	1.18
Year		
Revenue	254.5m	228m
Net profits	18.55m	15.39m
Net per share	2.35	2.02

SANTA FE INTERNATIONAL

Second quarter	1979 $	1978 $
Revenue	129.2m	138.3m
Net profits	6m	11.9m
Net per share	0.29	0.57
Six months		
Revenue	252.9m	254.7m
Net profits	18.9m	25.6m
Net per share	—	1.23

1 Loss.

TIMES MIRROR

Second quarter	1979 $	1978 $
Revenue	450m	408m
Net profits	38.52m	36.37m
Net per share	1.14	1.05
Six months		
Revenue	792.5m	713m
Net profits	66.82m	63.29m
Net per share	1.97	1.82

WUI

Second quarter	1979 $	1978 $
Revenue	36m	32.5m
Net profits	4.64m	3.97m
Net per share	0.84	0.72
Six months		
Revenue	71.5m	63.3m
Net profits	9.12m	7.73m
Net per share	1.65	1.40

Peugeot buys truck importer

BY DAVID WHITE IN PARIS

PEUGEOT-CITROEN, signalling its intention to keep and develop the Chrysler Europe's heavy vehicle operations, has bought control of the French company which distributes British and Spanish-made Dodge lorries.

Chrysler France, which became a subsidiary of PSA Peugeot-Citroen under last year's takeover, has informed Dodge concessionnaires that it has taken a 75 per cent interest in Camdic, the Dodge importer for France. Camdic was previously held by private interests. Financial details were not given.

Peugeot-Citroen representatives said the deal marked "the first demonstration" that the group, which had no heavy vehicles interests before the Chrysler Europe takeover, was genuinely intent on building up this branch. This confirms earlier statements from the Chrysler arm of the French group.

Camdic imports light Dodge trucks made at Dunstable in the UK and heavier lorries from Chrysler's Villaverde plant in Spain. Until recently, these imports have had an insignificant share of the French market, with only 32 vehicles sold in 1977 and 69 in 1978. But imports rose sharply in the first half of this year to 350 units and a similar quantity is expected in the second half.

The Peugeot move will doubtless be watched closely by the state-owned Renault group, which is having to cut back in its heavy vehicles sector (Berliet and Saviem) because of difficult market conditions.

Dutch shipbuilder plans further restructuring

BY CHARLES BATCHELOR IN AMSTERDAM

IHC-HOLLAND, the shipbuilding group specialising in offshore structures and dredging equipment, will undergo a further restructuring in an attempt to make its dredging division profitable. Prospects for the dredging sector have worsened since the original plans were drawn up two years ago, the company said.

IHC has recommended the closure of the dredging equipment yard of IHC-Verschure in Amsterdam and cuts at the Gusto Staalbouw yard which makes ships' sections at Slikkerveer, near Rotterdam. This will lead to the loss of about 700 of the company's 3,400 jobs and reduce capacity by about 20 per cent.

The company estimates that keeping the yard open would lead to a loss of Fl 18m ($9m) over the next 18 months, although the company's works council estimates the loss at only Fl 8m.

IHC's problems, and those of the shipbuilding industry in general, in The Netherlands, are being studied by a shipbuilding commission on which the employers, unions and the government are represented. The employers and the government representatives have advised the Economics Minister, Mr. Gijs Van Aardenne, to shut the new construction activities of the Verschure yard, retaining its repair capacity, and to make cuts at Gusto. A decision will probably be taken this autumn.

Slowdown at Dresdner Bank in Luxembourg

BY JONATHAN CARR IN BONN

THE LUXEMBOURG subsidiary of West Germany's second largest commercial bank, Compagnie Luxembourgeoise de la Dresdner Bank, increased business substantially in 1978-79 (to March 31) but reduced interest margins meant earnings rose less strongly.

While the balance sheet total rose by 16 per cent to about DM 16bn ($8.74bn) (compared to an increase of 8.9 per cent in 1977-78) helped particularly by buoyant credit business the balance sheet profit rose by just DM 500,000 to DM 72.5m ($39.62m).

Nonetheless the result compares favourably with that of the bank's main competitors and it is proposed to pay an unchanged 18 per cent dividend to the parent. The bank's ratio of equity capital to total liabilities remains well above the 3 per cent minimum required by Luxembourg authorities.

The Zurich branch of the Luxembourg bank is reported to be doing well with its balance sheet total for the first time surpassing the SwFr 300m level in 1978-79.

New buyer appears in Ansett battle

By James Forth in Sydney

THE STRUGGLE for control of Ansett Transport Industries took a further twist yesterday when a new party appeared to join the sharemarket contest. About 6.3m Ansett shares, or 8 per cent of the capital, were traded on national stock exchanges yesterday, including a special parcel of just over 1m shares at A$1.30.

This price is well above the A$1.66 at which the majority of shares were transferred in trading on the exchange floors. Ampol Petroleum, which jumped into the arena this week, was buying through its sharebroker, J. B. Were, but appeared to obtain less than 700,000 shares. The major shareholder, Thomas Nationwide Transport, which holds 15 per cent of the capital, and has expressed a desire to increase its stake, was not a buyer.

Bell Group, which revealed on Monday that it had doubled its interest to 10 per cent after a day of aggressive buying, also appeared to stay out of the market, despite suggestions by the company that it wished to build up to a 20 per cent holding. The Melbourne sharebroker, Potter Partners, booked the 4m sale, which apparently represented some of the major institutional holdings.

Potter also joined Were on the trading floor as a major buyer and was reportedly buying for interests "friendly" to the Ansett board and its founder and chief executive, the 70-year-old Sir Reginald Ansett. About 6 per cent of the capital went to the Ansett camp. The holding of Ampol has the market guessing. It has picked up no more than 5 per cent on the market, but is known to have also bought off the market.

More than 40 per cent of Ansett's capital now appears to have been accounted for, indicating that the contest is nearing a climax. The current price values Ansett at more than A$120m (US$135m); it seems likely that the aim is a change of control rather than a full takeover bid by any of the parties.

Bank of East Asia

The Bank of East Asia has reported net profits of HK$22.7m (US$4.4m) for the first half of the year, continuing last year's strong upward earnings trend, writes **Philip Bowring in Hong Kong**. For the same period of 1978 profit was HK$18.5m, and for the full 1978 year HK$40.2m. The interim dividend is unchanged at 30 cents, on capital recently increased by a one-for-five scrip issue.

SETBACKS AT JAPANESE BREWERIES

Fears of further decline

BY YOKO SHIBATA IN TOKYO

SAPPORO BREWERIES and Asahi Breweries, Japan's second and third largest breweries, reported earnings setbacks for the first six months, ended last June, and expect a further steep slide in earnings for the full year.

Sapporo's interim operating profit fell by 19 per cent to Y2.39bn ($11.04m) and the interim net profit slipped back by 8.8 per cent to Y1.3bn, on interim sales of Y115.83bn ($535m), up 5.6 per cent over the same period of 1978.

Asahi also suffered a sizeable setback, with interim operating profit dropping by 36 per cent to Y1.58bn ($7.32m), and interim net profit declining by 35.3 per cent to Y802m, on sales of Y88.09bn ($407m), up by only 0.7 per cent.

Both breweries blamed the poor earning performance on lacklustre sales. Beer sales for the total industry reached a plateau last year, up by only 7 per cent over 1977, and those in the first half of this year edged down by 2 per cent over the same period in the previous year. Apart from poor sales, cost rises on domestic and imported barleys and heavy oil eroded profitability considerably.

In particular, the breweries blamed expensive domestic barleys which cost 3.7 times as much as imported barleys. Japanese breweries are forced to purchase domestic barleys, which accounted for 20 to 25 per cent of the total barley consumption, because the Government has directed farmers to switch to wheat and barley production from rice which is in heavy surplus.

The brewery industry appealed to the Government last month on the ground that further purchases of domestic barley would squeeze earnings substantially. The brewery industry has to bear Y8.8bn more than for the previous year if the industry purchases 151,600 tons of domestic barley for fiscal 1979 as requested by the Government, according to the industry's estimates.

As a compensation for the first-half sales decline, sales were expected to rise in the current half. However, beer sales in July, regarded as the peak sales period, declined by 2 per cent from last year's level, because of a prolonged rainy season. As a result, both Sapporo and Asahi see difficulties in attaining their earlier sales increase targets of 5 per cent and 3 per cent respectively.

Sapporo's sales are now forecast at Y254bn for the year, up 4 per cent, operating profits at Y5.6bn, down 21 per cent, and net profits at Y3.4bn, down 3 per cent over fiscal 1978. Asahi now sees its sales at Y185bn, up 1 per cent, operating profits at Y3.3bn, down 37 per cent and net profits at Y1.65bn, down 37 per cent.

Email makes its bid

BY OUR SYDNEY CORRESPONDENT

EMAIL HAS announced its takeover bid to absorb the outstanding shares in the electrical appliance manufacturer, Kelvinator Australia four months after it was foreshadowed. Email has satisfied the minimum price suggested by Kelvinator, but is making a share-only bid to remaining shareholders.

The company obtained a 50 per cent stake in Kelvinator in March during a battle with the rival electrical appliance group, Simpson Pope on and off the share market.

Email's average price was A$2.23 a share, but it paid A$2.30 for an 18.5 per cent stake from Simpson Pope, which gave it the 50 per cent level, and it was this latter level which the Kelvinator board called for.

Kelvinator has since made a one-for-two scrip issue and the equivalent minimum is A$1.53. Email intends to offer three of its shares for every two Kelvinator, which equals A$1.62 based on Email's closing sharemarket price of A$1.08.

The offer is conditional on Email obtaining 100 per cent of Kelvinator's capital, which will depend on the attitude of Simpson Pope, which still holds 14 per cent, and the U.S. group, White Consolidated, which has 10 per cent.

Progress at Stanbic

BY OUR JOHANNESBURG CORRESPONDENT

STANDARD BANK Investment Corporation (Stanbic) raised its first-half operations profit by 18.1 per cent to R32m ($37.6bn). This was achieved despite the adverse effects on foreign exchange earnings of South Africa's new exchange rate policy and of downward pressure on interest rates arising from the combined effects of a strong current account and weak demand for credit.

Standbic—an offshoot of Standard Chartered of the UK—did, however, maintain interest rate margins during the six months. At the after-tax level, profits were R20.6m, against R17.7m in the same period last year. On first-half earnings a share of 34.6 cents, an 11 cents interim dividend has been declared. In the nine months to December 31, 1978, on earnings a share of 51.3 cents, dividends totalling 24 cents were paid.

Mr. Ian Mackenzie, the chairman, is cautious on growth prospects, saying that results for the full year are estimated to approximate to the group's plan. He adds, however, that the return on shareholders' funds should marginally exceed the stated target of 16 per cent.

On this basis, earnings a share should exceed 70 cents for the year, and the board's intention is to declare total dividends slightly more than twice covered by profits. In Johannesburg, the shares are currently trading at 515 cents.

Raja Finance licence revoked

BANGKOK — The Thai Government has revoked the licence granted to one of Thailand's largest finance companies to operate in the finance and securities business, the Finance Ministry said yesterday.

The Prime Minister, Kriangsak Chomanan, acting in his capacity as Finance Minister, has appointed a nine-man team to help clear assets and debts of Raja Finance Company as soon as possible.

The Finance Ministry stated that Raja Finance Company's financial problems had led, on May 11, to the takeover of the company and the appointment of a controlling committee headed by the Deputy Governor of the Bank of Thailand.

AP-DJ

Increased market share for Rothmans Australia

BY OUR SYDNEY CORRESPONDENT

ROTHMANS of Pall Mall (Australia), the tobacco and wine group, raised earnings by 38 per cent in 1978-79, despite a decline in the total tobacco market. The group profit rose from A$6.1m to a record A$8.5m (U.S.$9.6m).

The directors said that the sharp increase in excise duties on tobacco products, which was imposed in August, 1978, caused the total market to decline in the 12 months to June 30, particularly in the second-half. However, Rothmans lifted its sales 26.7 per cent in value, despite vigorous competition, and volume also increased, indicating that the group made gains in the Australian cigarette market. Production was maintained at "the highest possible level"

The company would make every effort to perform at least as well in the current year, the board said.

Joint venture in merchant banking

By Georgie Lee in Singapore

SINGAPORE'S Post Office Savings Bank and Banque Nationale de Paris (BNP) have formed a merchant banking joint venture here. The new bank—Banque Nationale de Paris South-east Asia—will be one-third owned by the Post Office Savings Bank and two-thirds by BNP.

It has an issued capital of S$7.5m (US$3.5m).

Growth for Sappi and Premier Paper

By Jim Jones in Johannesburg

THE DISAPPOINTING interim results presented by Carlton Paper two days ago, have been followed by more encouraging results from two other paper producers, Sappi and Premier Paper.

For the six months to June 30, Sappi, South Africa's largest pulp and paper manufacturer, has announced a 17.8 per cent turnover improvement from R99.7m to R117.5m ($139.5m) and a 35.5 per cent operating profit rise from R11.4m to R15.5m ($18.4m).

Sappi's results are not strictly comparable with those a year ago, as with effect from June 1, it acquired Stanger Pulp and Paper from Reed International, and Stanger's results were consolidated for that month. According to Mr. Ted Pavitt, the chairman, Stanger's performance since acquisition, has been satisfactory and the purchase provides many opportunities for rationalisation, some of which have already been implemented.

The 39 per cent owned Carlton Paper made a lower contribution to Sappi's first half results, but helped by a lower effective overall tax rate, Sappi's first-half attributable earnings advanced by 65.1 per cent to R10.4m against R6.3m for the same previous period. In the light of trading prospects, seen as favourable, improved results, and future cash needs, the Board has decided to resume interim dividends with a payment of 10 cents on first half earnings of 36.5 cents. In 1978, on earnings per share for the year of 51.1 cents, a single, 22 cents, dividend was paid.

Premier Paper, the packaging and tissue paper manufacturer, has reported substantially improved results for its South African operations. In the year to June 30, South African turnover advanced from R15.8m to R20.2m ($24m). The Zimbabwe-Rhodesian associate, Hunyani Pulp and Paper, which is now only 19 per cent owned has been de-consolidated and dividends from this source are now taken into account only as received. Even so, the operating profit for the year rose from R877,000 to R2.2m ($2.61m) while earnings per share increased from 36 cents to 124 cents. A 30 cents dividend has been declared compared with 18 cents.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	31.7.79	7.8.79	AVERAGE YIELD	31.7.79	7.8.79
DM Bonds	100.53	100.84	DM Bonds	7.233	7.180
HFL Bonds & Notes	96.22	96.38	HFL Bonds & Notes	9.052	8.999
U.S. $ Strt. Bonds	95.51	95.60	U.S. $ Strt. Bonds	9.700	9.690
Can. Dollar Bonds	96.48	96.47	Can. Dollar Bonds	10.208	10.219

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel. 01-623 6314

Index Guide as at August 2, 1979

Capital Fixed Interest Portfolio	117.16
Income Fixed Interest Portfolio	105.00

CURRENCIES, MONEY and GOLD

Pound steadies

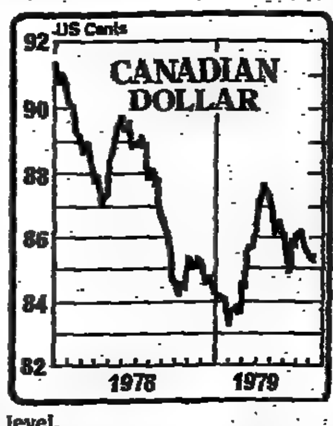
STERLING had a slightly steadier look about it in currency markets yesterday, after its recent sharp fall, but trading was still rather erratic and volatile at times. Its overall performance was reflected in its trade weighted index, which on Bank of England figures, rose slightly to 70.6 from 70.5 on Tuesday. However, Tuesday's closing calculations may not have taken into account sterling's firmer trend towards the close.

Against the dollar the pound opened at $2.2235 and fell quite quickly to $2.2175 as selling developed from the start. Once again the Bank of England entered the market and the pound recovered to $2.2235 before slipping at noon to $2.2150.

Later in the afternoon as European centres closed and selling continued in New York, it fell to a low of $2.2030. However near the close news of a more optimistic outlook in Treasury estimates towards the benefit of North Sea oil, pushed up the rate to a closing level of $2.2150-2.2160, just 25 points down from Tuesday's close. Later in New York it was quoted sharply firmer at $2.2320.

The dollar spent another quiet and uneventful day and traded within a fairly narrow range against most currencies. Against the D-mark it finished at DM 1.8295 compared with DM 1.8315 previously and SwFr 1.6580 against SwFr 1.6585. Using Bank of England figures, the dollar's trade weighted index remained at 84.6.

Within the EMS, the Danish krone continued to trade on or around its lowest permitted level.



FRANKFURT—The dollar was fixed slightly firmer yesterday at DM 1.8325 against DM 1.8310 on Tuesday, and there was no intervention by the Bundesbank. Most currencies traded within a narrow range with sterling as the notable exception, and it slipped at the fixing to DM 4.0640 from DM 4.0960 previously.

MILAN—Sterling continued to fall against the lira, while the dollar showed a slight gain. The pound was fixed at L1,817.5, sharply down from Tuesday's level of L1,833.7. The dollar rose with a little assistance by the Bank of Italy to L820.1 from L819.95.

TOKYO—The dollar improved slightly against the yen yesterday and closed at Y216.75 compared with Tuesday's close of Y216.475. The U.S. unit opened at Y216.40 and remained steady until later in the day, when the rate was boosted by short covering. Conditions were described as extremely dull and the dollar finished at the top of the day's range.

THE POUND SPOT AND FORWARD

Aug. 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2030-2.2235	2.2150-2.2160	0.78-0.68c pm	3.95	1.97-1.87 pm	3.47
Canada	2.5790-2.6025	2.5920-2.5930	0.70-0.60c pm	3.07	1.90-1.80 pm	2.85
Nethlnd.	4.43-4.47	4.43½-4.44½	2½-1½c pm	5.40	6½-5½c pm	5.29
Belgium	64.65-65.15	64.70-64.80	15-5c pm	1.85	45-35 pm	2.47
Denmark	11.68-11.73	11.69-11.70	½ore pm-1½ dis	−0.51	3-6 dis	−1.37
Ireland	1.0730-1.0810	1.0740-1.0750	30-40p dis	−3.91	85-95 dis	−3.35
W. Ger.	4.04½-4.08½	4.05-4.06	3½-2½pf pm	7.77	8½-7½ pm	7.77
Portugal	108.70-109.50	108.85-109.15	40-100c dis	−7.71	110-210 dis	−5.87
Spain	146.20-146.60	146.30-146.40	195-245c dis	−18.04	565-665dis	−16.81
Italy	1,812-1,824	1,813-1,814	2½-½ lire pm	0.99	par-2 dis	−0.22
Norway	11.13-11.17	11.14-11.15	5½-3½ore pm	4.85	13½-11½ pm	4.49
France	9.40-9.46	9.41½-9.42½	3-2c pm	3.19	7-6 pm	2.76
Sweden	9.32-9.37	9.35-9.36	3½-1½ore pm	3.21	5½-3½ pm	2.03
Japan	477-485	479-480	3.75-3.45y pm	9.01	10.40-10.10pm	8.55
Austria	29.60-29.73	29.63-29.68	25-15gro pm	8.09	58-48 pm	7.15
Switz.	3.66-3.70	3.67-3.68	4½-3½c pm	13.06	12½-11½ pm	13.06

Belgian rate is for convertible francs. Financial franc 67.30-67.40c pm. Six-month forward dollar 3.40-3.30c pm; 12-month 5.50-5.40c pm.

THE DOLLAR SPOT AND FORWARD

Aug. 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2030-2.2235	2.2150-2.2160	0.78-0.68c pm	3.95	1.98-1.88 pm	4.28
Ireland†	2.0500-2.0625	2.0576-2.0625	1.50-1.30c pm	8.16	4.00-3.70 pm	7.47
Canada	1.1706-1.1712	1.1709-1.1712	0.05-0.08c dis	−0.66	0.09-0.13dis	−0.25
Nethlnd.	2.0045-2.0090	2.0045-2.0055	0.33-0.23c pm	2.10	0.98-0.88 pm	1.75
Belgium	29.22½-29.27½	29.22½-29.24	2½-4c dis	−1.33	5-7 dis	−0.82
Denmark	5.2790-5.2840	5.2790-5.2810	1.75-2.25ore dis	−4.54	5.75-6.25dis	−4.54
W. Ger.	1.8309-1.8330	1.8309-1.8319	0.65-0.55pf pm	3.93	2.04-1.94 pm	4.36
Portugal	49.10-49.25	49.15-49.25	30-40c dis	−8.53	90-120 dis	−8.54
Spain	66.05-66.12	66.05-66.08	125-175c dis	−27.25	335-385dis	−21.80
Italy	819.00-820.15	819.00-819.30	1.90-2.40 lire dis	−3.14	8-9 dis	−4.15
Norway	5.0310-5.0360	5.0310-5.0320	0.55-0.05ore pm	0.71	2.10-1.60 pm	1.47
France	4.2495-4.2530	4.2495-4.2510	0.37-0.47c dis	−1.18	0.90-1.05dis	−0.91
Sweden	4.2205-4.2248	4.2238-4.2248	par-0.20ore dis	−0.28	0.75-0.95dis	−0.80
Japan	216.30-216.70	216.30-216.50	1.00-0.85y pm	5.12	2.85-2.70 pm	5.12
Austria	13.378-13.39	13.385-13.39	4.40-3.90gro pm	3.71	13.50-12.00pm	3.81
Switz.	1.6550-1.6595	1.6550-1.6560	1.31-1.26c pm	9.29	4.03-3.98 pm	9.66

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Aug. 7	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.580546	0.618762
U.S. $	10	1.30071	1.38262
Canadian $	11⅞	1.52573	1.62390
Austria Sch	3¾	17.3996	18.4926
Belgian F	9	38.0588	40.4590
Danish K	9	6.86515	7.29818
D Mark	5	2.38160	2.53158
Guilder	8	2.60857	2.77230
French Fr.	9½	5.52932	5.87753
Lira	10½	1066.58	1133.75
Yen	5¼	281.474	299.061
Nrwgn. K	7	6.54257	6.95598
Spanish Pas.	8	86.0003	91.5914
Swedish Kr.	7	5.47989	5.82561
Swiss Fr.	1	2.15659	2.29156

CURRENCY MOVEMENTS

Aug. 7	Bank of England Index	Morgan Guaranty changes %
Sterling	70.6	−34.6
U.S. dollar	84.6	−8.7
Canadian dollar	80.4	−18.3
Austrian schilling	148.1	+19.5
Belgian franc	114.5	+15.6
Danish kroner	113.7	+3.5
Deutsche mark	151.7	+42.3
Swiss franc	197.1	+81.0
Guilder	123.8	+18.9
French franc	99.2	−7.1
Lira	55.5	−48.7
Yen	132.1	+30.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

August 8	£	$		£ Note Rates
Argentina Peso	3034-3064	1370-1380	Austria	29½-30½
Australia Dollar	1.9575-1.9675	0.8835-0.8880	Belgium	67½-68½
Brazil Cruzeiro	59.0-60.0	26.60-27.10	Denmark	11.70-11.85
Finland Markka	8.49-8.52	3.8470-3.8490	France	9.40-9.50
Greek Drachma	81.032-82.974	36.58-37.45	Germany	4.00-4.10
Hong Kong Dollar	11.361-11.393	5.1530-5.1550	Italy	1,800-1,850
Iran Rial	158.90-163.50	70-74	Japan	480-490
Kuwait Dinar (KD)	0.607-0.617	0.2740-0.2780	Netherlands	4.40-4.50
Luxembourg Frc.	64.70-64.80	29.22-29.24	Norway	11.15-11.30
Malaysia Dollar	4.7610-4.7735	2.1580-2.1590	Portugal	102-108
New Zealand Dlr.	2.1790-2.1890	0.9835-0.9880	Spain	145-148
Saudi Arab. Riyal	7.40-7.50	3.3600-3.3605	Switzerland	3.60-3.70
Singapore Dollar	4.76-4.77¼	2.1570-2.1580	United States	2.21½-2.22½
Sth. African Rand	1.8625-1.8625	0.8360-0.8400	Yugoslavia	43.5-44.5

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.3997	+2.39	+1.20	±1.53
Danish Krone	7.08592	[illegible]	+2.91	+1.73	±1.635
German D-Mark	2.51064	[illegible]	+0.75	−0.44	±1.1325
French Franc	5.79831	[illegible]	+1.22	+0.04	±1.35
Dutch Guilder	2.72077	2.77107	+1.85	+0.56	±1.5075
Irish Punt	[illegible]	0.670882	+1.25	[illegible]	±1.665
Italian Lira	1148.15	1132.10	−1.40	−1.40	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

August 8	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.216	4.065	479.5	9.418	3.675	4.445	1814.	2.593	64.75
U.S. Dollar	0.451	1.	1.830	216.4	4.251	1.659	2.006	818.6	1.170	29.25
Deutschemark	0.247	0.546	1.	118.2	2.322	0.906	1.096	447.2	0.639	15.97
Japanese Yen 1,000	2.086	4.620	8.457	1000.	19.64	7.664	9.268	3782.	5.407	135.0
French Franc 10	1.062	2.353	4.306	509.2	10.	3.902	4.717	1926.	2.753	68.75
Swiss Franc	0.272	0.603	1.103	130.5	2.563	1.	1.209	493.5	0.706	17.62
Dutch Guilder	0.225	0.499	0.913	107.9	2.120	0.827	1.	408.2	0.584	14.58
Italian Lira 1,000	0.551	1.222	2.256	264.4	5.193	2.026	2.450	1000.	1.430	35.70
Canadian Dollar	0.386	0.855	1.564	185.0	3.633	1.418	1.714	699.5	1.	24.98
Belgian Franc 100	1.544	3.422	6.263	740.5	14.54	5.676	6.861	2801.	4.003	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.80-10.90 per cent; three months 10.85-10.95 per cent; six months 10.85-10.95 per cent; one year 10.55-10.65 per cent.

Aug. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	13¼-13¾	10⅝-10⅞	9½-10½	8⅛-8⅜	⅛-⅜	6¼-6⅜	10½-10¾	10-13		4-4½
7 days' notice	14⅛-14½	10¾-11	9½-10½	8⅜-8⅝	⅝-⅞	6¼-6⅜	10½-10¾	11¼-13¼	10⅝-10⅞	4¾-5½
Month	14⅛-14½	10 11/16-10 15/16	11¼-11⅝	8½-8⅝	1 1/16-1 3/16	6 7/16-6 9/16	11¼-11⅝	13-14	10 11/16-10 15/16	5¼-6
three months	14⅜-14⅝	10¾-11	11¼-11⅝	8⅞-9	1⅜-1⅝	6½-6⅝	11⅝-11⅞	14-16	10¾-10⅞	5½-5¾
six months	14 1/16-14 5/16	10⅞-11⅛	11 1/16-11 5/16	9⅛-9⅜	2 1/16-2 5/16	6⅞-7	12-12¼	14½-15½	10 13/16-11 1/16	5½-6⅛
one year	13 9/16-13 13/16	10 9/16-10 13/16	10 9/16-10 13/16	9-9¼	2 9/16-2 13/16	6⅞-7	12-12¼	14-16	10 9/16-10 13/16	5 9/16-5 13/16

Long-term Eurodollar: two years 10 5/16-10 9/16 per cent; three years 10 5/16-10 9/16 per cent; four years 10 5/16-10 9/16 per cent; five years 10-10¼ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Dutch rates stable

Interest rates in the Dutch money market are likely to remain steady for the time being, at least until the beginning of the next quota period, which starts on August 16. Dealers suggested that the authorities may make available a further special loan facility at that time in order to maintain stability in interest rates. Call money yesterday was quoted at 8⅝-8⅞ per cent, slightly firmer than the previous day's figure of 8⅛-8⅜ per cent, and one-month money at 9-9¼ per cent compared with 9-9½ per cent. Three-month money was easier at 9¼-9½ per cent from 9½-9¾ per cent as was the rate for six-month money at 9⅛-9⅜ per cent from 9⅜-9⅝ per cent.

FRANKFURT — Following Tuesday's announcement of the Bundesbank's intention to hold a meeting of the Central Bank Council today, a spokesman for the bank yesterday stated that there would be no Press conference afterwards, a move which implies that credit and monetary policies would remain unchanged for the time being.

Interbank rates were generally mixed yesterday with call money at 6.15-6.25 per cent, up from Tuesday's level of 6.10-6.20 per cent, while the one and three-month rates were unchanged at 6.40-6.50 per cent and 6.90-7.00 per cent respectively. Six-month money eased to 7.25-7.35 per cent from 7.30-7.40 per cent, but 12-month money rose from 7.35-7.45 per cent to 7.40-7.50 per cent.

NEW YORK—Tuesday's move by the Federal authorities to drain reserves at 10 7/16 per cent seems to point towards a target rate for Fed funds of 10½ per cent since funds were normally injected into the market at rates above 10 11/16 per cent. Yesterday Fed funds were trading at 10 9/16-10 11/16 per cent early in the day, only slightly changed from Tuesday's close of 10½ per cent.

PARIS—Call money rose to 10⅝ per cent compared with 10⅜ per cent on Tuesday, while longer-term rates showed little change. One-month money was quoted at 10½-10⅝ per cent, three-month at 10⅝-10⅞ per cent, six-month at 10 11/16-10 15/16 per cent, and 12-month money at 10⅝-10⅞ per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were steady at 11⅞-12⅛ per cent for one and three-month deposits but eased slightly from 11 9/16-11 13/16 per cent to 11½-11¾ per cent for six-month deposits. The 12-month rate was unchanged at 10⅞-10⅞ per cent.

HONG KONG—Conditions in the money market remained tight, with call money at 12 per cent, and overnight business dealt at 12½ per cent after touching 12¾ per cent.

UK MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The call on 12½ per cent Exchequer A 1999 was seen as the main factor behind a shortage of credit in yesterday's money market, and the authorities gave assistance on a large scale. Closing rates tend to suggest however that this was somewhat overdone. The help comprised small purchases of Treasury bills bought outright and a further large sum of Treasury bills for resale at a fixed future date. The authorities also bought a small amount of local authority bills on a sale and repurchase basis. Discount houses were paying up to 13¾ per cent for secured call loans at the start but closing balances were taken as low as 7 per cent.

The other factor working against the market was the settlement of a small number of gilt sales.

On the other hand there was a large excess of Government disbursements (including rate support grant) over revenue transfers to the Exchequer as well as a moderate fall in the note circulation.

In the interbank market overnight loans opened at 13¾-14 per cent and rose initially to 14-14¼ per cent before coming back to 13⅞-14 per cent, a level which saw most business until early afternoon. The bank's generous assistance saw rates fall away quite early, with most of the afternoon's trade between 7 per cent and 8 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Aug. 8 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	7-14¼	—	—	—	14¼	7-13⅞	—	—	—
2 days notice	—	—	13⅞-14⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	13¾-14	14-14¼	—	14½	14¼	13¾	—	—	—
One month	14⅛-13⅞	14-14⅛	14-14⅛	15-14⅜	14½	14⅜-14⅛	13¾	13 7/32	14 1/16-14¼	14½
Two months	14¼-14	14 1/16-14 3/16	—	14⅛-14⅛	14½	—	13¾	13 3/16-13	14⅛	14¼
Three months	14 1/16-14	14 1/16-14 3/16	14-14⅛	14⅛-13⅞	14½	14⅜-14⅛	13⅝	13 13/16-13⅝	13 7/32-13⅞	14¼
Six months	13 9/16-13⅝	13 13/16-13 15/16	13 13/16-14	13½-13⅛	14	—	—	—	12¾-12⅞	13¾
Nine months	12⅞-12¾	13 1/16-13 3/16	—	13¼-12⅞	13⅝	—	—	—	—	—
One year	12½-12¾	12 13/16-12 15/16	12⅞-13⅛	12¾-12¼	13⅛	—	—	—	—	—
Two years	—	—	13-13⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 13-13⅛ per cent; four years 12⅞-13⅛ per cent; five years 12⅞-13⅛ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅝-13⅞ per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13 7/32 per cent; two month 13⅛ per cent; three-month 13 3/32 per cent. Approximate rates for one-month bank bills 14 1/16-14¼ per cent; two-month 14 per cent; and three-month 13⅞ per cent; one-month trade bills 14½ per cent; two-month 14¼ per cent; and three-month 14⅜ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3652 per cent.

GOLD

Sharp rise

Gold rose sharply in the London bullion market yesterday and finished $7½ an ounce higher at $291-291½. The metal opened at $286½-287½ and improved steadily on speculative buying with heavy demand coming from the U.S. later in the day. OPEC's meeting next month to discuss ways of compensating for a weak dollar may have prompted demand together with the sentiment held in some quarters that gold's recent shakeout may have been overdone.

	Aug. 8	Aug. 7
Gold Bullion (fine ounce)		
Close	$291-291½ (£131.4-131.6)	$283½-284¼ (£128.1-128.4)
Opening	$286½-287½ (£129.2-129.8)	$283¾-284¾ (£128.6-127.8)
Morning fixing	$287.10 (£129.763)	$282.50 (£126.870)
Afternoon fixing	$289.00 (£130.917)	$285.10 (£127.968)
Gold Coins, domestically		
Krugerrand	$300.1-302.1 (£135-136)	$292¾-294¾ (£131½-132½)
New Sovereigns	$74.30-76.30 (£33½-34½)	$73.6-77.5 (£32¾-34¾)
Old Sovereigns	$100.3-102.3 (£45¼-46¼)	$98.6-100.5 (£44½-45½)
Gold Coins, internationally		
Krugerrand	$300.1-302.1 (£135-136)	$292¾-294¾ (£131½-132½)
New Sovereigns	$74.30-76.30 (£33½-34½)	$73.6-77.6 (£32¾-34¾)
Old Sovereigns	$100.3-102.3 (£45½-46½)	$98.6-100.5 (£44½-45½)
$20 Eagles	$416-423	$405-408
$10 Eagles	$230-235	$225-228
$5 Eagles	$173-175	$166-171

In Paris the 12½ kilo bar was fixed at FFr 41,880 per kilo ($305.76 per ounce) compared with FFr 41,700 ($305.08) in the morning and FFr 41,050 ($300.35) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 16,960 per kilo ($287.83 per ounce) against DM 16,730 ($284.17) previously.

MONEY RATES

NEW YORK	
Prime Rate	11.5-11.75
Fed. Funds	10.625
Treasury Bills (13-week)	9.44
Treasury Bills (26-week)	9.40
GERMANY	
Discount Rate	5
Overnight Rate	6.20
One month	6.45
Three months	6.95
Six months	7.30
FRANCE	
Discount Rate	9.5
Overnight Rate	10.50
One month	10.5625
Three months	10.6875
Six months	10.75
JAPAN	
Discount Rate	5.25
Call (Unconditional)	6.625
Bills Discount (three-month)	7.0

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APPOINTMENTS

Finance chief for Avis

Mr. John Shutt

Mr. John Shutt has been appointed treasurer for the Europe, Africa and Middle East division of AVIS RENT-A-CAR at Bracknell, Berks. He joined Avis in 1977 and has been assistant treasurer for two years. He was formerly chief accountant in the UK for National Chemsearch, a Dallas-based multinational corporation.

★

Mr. Ian Hewitt has been appointed managing director of RAEL-BROOK, a member of the Tootal Group. Mr. Chris Fletcher, managing director, Tootal Menswear is to join the Rael-Brook board.

★

Four new members have been appointed to the INDEPENDENT BROADCASTING AUTHORITY'S advertising advisory committee. They are Mrs. Margaret Chalkley, national vice-chairman, National Union of Townswomen's Guilds; Mr. Hamindar Singh, lecturer in economics, Bradford College; Mr. Eric Burleton, director, Lloyds Advertising Agency, and chairman of the professional standards committee of the Institute of Practitioners in Advertising; and Mr. Peter Jeruton, managing director, Sefton Bulk Pharmaceuticals, and chairman of the British Code of Advertising Practice Committee.

★

Following the acquisition of BLOND AND BRIGGS by FREDERICK MULLER, Mr. Anthony Blond will become a publishing consultant with Muller and Mrs. Sheila Thompson will also be joining Muller. Mr. Desmond Briggs has resigned to pursue other interests.

★

The National Economic Development Office has appointed Mr. Peter Evans as chairman of the Printing and Bookbinding Machinery Sector Working Party and Mr. Joseph Hinde as chairman of the Printing Industries Sector Working Party. Mr. Evans is a national secretary of the Transport and General Workers Union. Mr. Hinde is a director of Robert Fleming Technological Investment Trust and a non-executive director of Electrical Research Association.

★

Lord Charteris of Amisfield has been appointed a trustee of the BRITISH MUSEUM. He is Provost of Eton, and was private secretary to the Queen from 1972-77.

★

Professor Sir Idris Foster has been re-appointed a member of the Standing Commission on Museums and Galleries on the expiry of his term of office. He represents the National Museum of Wales and the National Library of Wales.

★

Mr. Brian Joakim, marketing manager of the Oxford Mail and Times, a division of Westminster Press, has succeeded Mr. John Hemsley as director and general manager of WM. CARLING AND CO., Hitchin.

★

Mr. J. K. Prevloski has been appointed production director, Europe, of NACANCO, Norwich, a subsidiary of the National Can Company, U.S.

★

Mr. W. A. Barnett, at present a divisional advances controller, MIDLAND BANK, has been appointed a regional director responsible for the London South West region. He succeeds Mr. D. R. West, who has been appointed an assistant general manager.

★

Mr. W. J. van Slobbe, director, Estel NV, has been appointed a non-executive director of BAXTER FELL AND CO.

★

JOSEPH SHAKESPEARE AND CO. has appointed Mr. George Ashmore as export director of subsidiary companies Joseph Shakespeare and Co. (Old Hill), Vaughan Brothers (Drop-Forgings), and Shropshire Forgings. He was previously commercial director of GKN Shardlow.

★

Mr. William J. Rainer, a vice-president of Kidder Peabody and Co. Inc., has been elected chief executive officer and managing director of KIDDER PEABODY SECURITIES.

★

Mr. Alan Hughes has resigned as managing director of BAHCO TOOLS, Banbury, due to differences which have arisen over a period of time in matters of policy. A spokesman for the Board said: "Bahco would like to place on record their deep appreciation (of Mr. Hughes) which the Board is proposing to acknowledge suitably to Mr. Hughes personally." Mr. Peter Chinn has been appointed an executive director of Bahco Tools. There will be no change of policy.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

BUSINESSES FOR SALE

BUSINESSES WANTED

WORLD STOCK MARKETS

Wall St. again strong in heavy early trade

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—27½% (26%)
Effective $2.2155—8¾% (7½%)

IN FURTHER heavy trading *yesterday morning*, Wall Street continued to gain ground over a wide front with institutions active participants.

The Dow Jones Industrial Average, after Tuesday's advance of 11.3, was 5.12 higher

Closing prices and market reports were not available for this edition.

at 864.93 at 1 pm. The NYSE All Common Index moved ahead 28 cents further to $60.46, while rising issues outnumbered losses by nearly a three-to-one margin. Trading volume *further* increased to 32.25m shares from *Tuesday's 1 pm figure of 29.30m.*

Analysts said the market continues *to benefit from its own* performance as cash-laden institutions commit some of their growing reserves to equities.

Institutional investors were drawn into the stock market on Tuesday when it showed signs of breaking out of the tight trading range that has held the market below its April peak of 867 as *measured* by the D-J Industrials Average.

Volume leader **Gulf and Western** put on ¼ to $17¾ and **IBM**, in second place, added ¼ to $69¾ ex-dividend.

Among other active issues, **Sears Roebuck** gained ¼ to $19⅝, **Warner-Lambert** ⅜ to $24⅜, **Trans World** 1¼ *to $21¼*, *Digital Equipment*, which reported improved *fourth-quarter* profits on Tueday, 1½ to $59⅞, and **Westinghouse Electric** ⅛ to $21⅛.

General Motors hardened ⅛ to $59⅞. Late the previous day it set a regular quarterly dividend of $1.15 a share.

Computervision climbed 1⅞ to $31⅜ after announcing second-quarter profits more than tripled from a year-ago.

CIT Financial fell 2⅞ to $40⅛. Integon said CIT is considering a *bid of $35 a share for all of* Integon's common stock, matching a bid by Anderson Clayton. Trading in Integon's shares was halted before this news at $31½, off ⅛. **Anderson Clayton** added ⅛ at $21.

THE AMERICAN SE Market Value Index strengthened 1.17 to 200.60 at 1 pm. Volume 2.99m shares (2.79m).

Dome Petroleum topped the Amex actives list and gained 2¼ to $37⅞. Dome said its Ukalerk well in the Beaufort Sea had a *calculated open flow rate of 85m* cubic feet of gas a day.

P and F Industries, which holds a stake in a planned Las Vegas casino, added ⅛ at $2⅞ in second place.

Canada

Markets were in firmer fettle in active early dealings yesterday, with the Toronto Composite Index gaining 5.7 to 1561.6 at mid-day.

Golds rose 28.2 to 1,754.6, Oils and Gas 10.5 to 2,660.3 and Metals and Minerals 7.6 to 1,316.4, while in Montreal, Banks advanced 1.99 to 319.87 and Papers 0.79 to 176.83. Utilities, however, shed 0.53 to 229.45.

George Weston, on higher earnings, rose ⅜ to C$24⅜.

Tokyo

The market was predominantly higher on renewed buying, which took the Nikkei-Dow Jones Average to a record peak of 6,405.08 before ending at 6,402.67, up 37.94 on the day.

The Tokyo SE Index advanced 1.38 to 447.59, while there was a fair turnover of 300m shares (230m).

Defence-related and large-assets shares, including **Tokyo** *Keiki*, *Katakura Industry* and **Nisshin Spinning**, led the market ahead, while Petroleums, Paper-Pulps, most export-orientated shares, and large-capital companies, including Shipyards, Steels and Heavy Electricals, were also higher.

Katakura Industry rose Y55 to Y910, **Nippon Oil** Y20 to Y1,620, **Matsushita Electric** to Y649, **Kanzaki Paper** Y17 to Y479, **Honda Motor** Y13 to Y560, **Sony** Y20 to Y,1,920 and **TDK Electronic** Y30 to Y1,780.

However, late *profit-taking* in Textiles and some Pharmaceuticals pared early gains.

Germany

After a firmer opening, shares generally shed further ground in the afternoon as trading became very thin. The Commerzbank index lost 1.7 more to 755.4.

Bourse sources commented that the stock market is following the downturn *in the domestic* bond market, which in turn is *waiting for the terms of the new* Federal Loan, to be announced tomorrow.

The heaviest losses were registered by Banks, Deutsche falling *DM 4.50*, **Bayerische Vereinsbank** DM 5.90, **Bayerische** *Hypothekenbank DM 3.50*, and **Commerzbank** DM 3. One trader at a major bank attributed the sharp sector-wide retreat to fears that credit-tightening measures might be adopted at today's scheduled meeting of the Central Bank Council of the Deutsche Bundesbank, although there was not any Press *conference* scheduled for after the meeting. *New measures* are usually announced at such Press conferences.

BMW receded DM 2 in Motors, **Siemens** DM 1.30 in Electricals and **Mannesmann** DM 2.50 in Engineerings.

Public Authority Bonds declined up to 50 pfennigs more, prompting *further Bundesbank* purchases of DM 15.2m nominal *of paper* (DM 7m). Mark-denominated Foreign Loans were little changed.

Hong Kong

Higher from the outset on fresh overnight London buying, the market continued to rise across *the board throughout the day* in fairly active trading to leave the Hang Seng index 10.81 stronger at 614.54.

Among the leaders, **Jardine Matheson** rose 30 cents to HK$12.10, **Swire Pacific "A"** 10 cents to HK$8.35 and **Hutchison Whampoa** 25 cents to HK$5.45, but **Hongkong Bank** remained unchanegd at HK$13.60.

Properties met heavy demand and **Cheung Kong** added 80 cents at *HK$14.00* and *San Hung Kai* **Securities** 40 cents at HK$11.40.

Paris

Profit-taking following the advance of the past few sessions left Bourse prices easier for choice yesterday after another fairly active trade.

Growing protests and promises of "action" by labour leaders against the Government's austerity policy somewhat dampened sentiment.

Foods, Chemicals and Electricals scored fresh gains, while Banks, Motors and Stores were mixed, but Mechanicals, Steels and Oils lost ground across the board.

Notably weaker were **Poclain**, **Marine-Wendel**, **Sacilor**, **Esso**, **Primagaz**, **Application-Gaz**, **Gle. Fonderie**, **Dassault**, **Arjomari**, **Thomson Brandt** and **CIT-Alcatel**.

In contrast, **Dumez**, **Maisons Pheaix**, **Pernod-Ricard**, **Pierrefitte**, **Roussel-Uclaf**, **Maritime-Chargeurs** *and* **Penarroya** showed good gains.

Amsterdam

Shares were firmer-inclined, with Banks strong ahead of half-yearly results, due shortly. **NMB** rose Fl 6.20, **ABN** Fl 4.50 and *Amro Fl 1.30.*

OCEVan der Grinten were unchanged at Fl 161 despite higher first-half net profits.

Australia

Shares were mainly firmer, although trading was rather quiet. The Sydney All Ordinaries index climbed 1.66 to a new high *for the year of 593.02.*

Ansett continued to dominate trading activity and gained another 4 cents to A$1.66, with *share volume amounting to 5.2m* in Melbourne. **Ampol** and **Bell**, together with other undisclosed buyers, were continuing to build up their stakes in the company, dealers said.

Market leader **BHP** put on 4 cents to A$9.34 and **Thomas Nationwide Transport** advanced 7 cents to A$1.43, while **Hartogen Energy** moved ahead 13 cents more to *A$1.78 for a two-day rise* of 33 cents.

Woodside Petroleum added 4 cents at A$1.04 and **National Bank** were *similarly higher* at A$2.42, while among Minings, **Renison Tin** were 40 cents stronger at A$11.90 and **Bougainville Copper** a further 6 cents up at A$2.04. In the Uraniums sector, **Pancontinental** gained 50 cents to A$13.50.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
♠ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. *a* Florins. *b* Schillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. % *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m* % tax free. *n* Francs including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. § Traded. ‡ Seller. *z* Assumed. *xr* Ex rights. *xd* Ex dividend. *xc* Ex scrip issue. *xa* Ex all. *A* Interim since increased.

† Bid. ‡ Asked. § Traded. ‖ New stock.

BASE LENDING RATES

A.B.N. Bank .... 14 %	■ Hambros Bank .... 14 %
Allied Irish Bank Ltd. 14 %	■ Hill Samuel .... §14 %
Amro Bank .... 14 %	C. Hoare & Co. .... †14 %
American Express Bk. 14 %	Julian S. Hodge .... 15 %
A P Bank Ltd. .... 14 %	Hongkong & Shanghai 14 %
Henry Ansbacher ...... 14 %	Industrial Bk. of Scot. 14½%
Associates Cap. Corp.... 14 %	Keyser Ullmann ...... 14 %
Banco de Bilbao ...... 14 %	Knowsley & Co. Ltd. ... 15½%
Bank of Credit & Cmce. 14 %	Lloyds Bank .... 14 %
Bank of Cyprus .... 14 %	London Mercantile ... 14 %
Bank of N.S.W. .... 14 %	Edward Manson & Co. 15 %
Banque Belge Ltd. ... 14 %	Midland Bank .... 14 %
Banque du Rhone et de la Tamise S.A. 14½%	■ Samuel Montagu ...... 14 %
Barclays Bank .... 14 %	■ Morgan Grenfell ...... 14 %
Bremar Holdings Ltd. 15 %	National Westminster 14 %
Brit. Bank of Mid East 14 %	Norwich General Trust 14 %
■ Brown Shipley .... 14 %	P. S. Refson & Co. ... 14 %
Canada Perm't Trust... 14 %	Rossminster .... 14 %
Cayzer Ltd. .... 14 %	Ryl. Bk. Canada (Ldn.) 14 %
Cedar Holdings .... 14 %	Schlesinger Limited ... 14 %
■ Charterhouse Japhet... 14 %	E. S. Schwab .... 15 %
Choulartons .... 14 %	Security Trust Co. Ltd. 15 %
C. E. Coates .... 14 %	Shenley Trust .... 16 %
Consolidated Credits... 14 %	Standard Chartered ... 14 %
Co-operative Bank ......*14 %	Trade Dev. Bank ...... 14 %
Corinthian Secs. ...... 14 %	Trustee Savings Bank 14 %
Credit Lyonnais .... 14 %	Twentieth Century Bk. 15 %
The Cyprus Popular Bk. 14 %	United Bank of Kuwait 14 %
Duncan Lawrie .... 14 %	Whiteaway Laidlaw ... 14½%
Eagil Trust .... 14 %	Williams & Glyn's...... 14 %
English Transcont. ... 14 %	Yorkshire Bank .... 14 %
First Nat. Fin. Corp.... 15½%	
First Nat. Secs. Ltd. ... 15½%	
■ Antony Gibbs .... 14 %	
Greyhound Guaranty... 14 %	
Grindlays Bank ....‡14 %	
■ Guinness Mahon ...... 14 %	

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12%, and over £25,000 12½%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS 1302
C=Call P=Put

Indices

NEW YORK

CANADA

GERMANY ♦

TOKYO ¶

Source Nikko Securities, Tokyo

AMSTERDAM

BRUSSELS/LUXEMBOURG

SWITZERLAND ♠

COPENHAGEN ♣

VIENNA

MILAN

AUSTRALIA

PARIS

STOCKHOLM

OSLO

JOHANNESBURG

SPAIN ♥

BRAZIL

Source: Rio de Janeiro SE.

COMMODITIES AND AGRICULTURE

Lord Peart joins Dewhurst

By Our Commodities Staff

LORD PEART, former Labour Agriculture Minister, is to join the board of J. H. Dewhurst, which runs Britain's biggest high-street butchery chain, on September 1.

He was Lord Privy Seal in the last Government and is currently leader of the Opposition in the House of Lords. Lord Peart.

Mr. Colin Cullimore, managing director of Dewhurst, said the company was fortunate to have secured the services of "Fred." Peart was Minister of Agriculture, Fisheries and Food from October 1964 to April 1968 and again from March 1974 to September 1976, when he was made a life peer.

Mr. Cullimore said as one of the longest-serving Ministers of Agriculture, he had been responsible for many negotiations with the Common Market. "With the number of directives increasing from Brussels, his advice will be of tremendous value to the company."

U.S. buying rumours lift coffee

By Our Commodities Staff

LONDON COFFEE futures prices made further gains yesterday in response to strong rumours of heavy U.S. roaster buying.

The November quotation, which advanced £21.5 on Tuesday, rose another £36 during the morning but came back later to end the day £17 higher on balance at £1,731.5 a tonne.

The rise was attributed to persistent market talk that U.S. manufacturers had bought up to 250,000 bags (60 kilos each) of physical robusta coffee held by producers in Europe and the U.S.

Traders believe the coffee involved is owned by the Bogota Group of Latin American producers which is estimated to have acquired 750,000 bags of physical coffee and the same amount of futures through its price support operations.

An amount as big as 250,000 bags would only be available from this source, they said.

The Bogota Group, which claims to operate a $400m coffee price support fund, is thought to have been the major buyer.

Extra plantings boost French maize crop

BY CHRISTOPHER PARKES

THE FROSTS which caused so much damage to autumn-sown wheat and barley crops in France, are expected to give a substantial boost to maize production.

Many fields were re-planted with maize during the spring, and as a result, the French Ministry of Agriculture expects output of this grain to jump to 10.9m tonnes compared with 9.6m tonnes last season.

Government estimates contrast sharply with forecasts by farmers in June. Then, the maize growers' association predicted a crop of only 9.1m tonnes this year while the cereal producers' groups were only slightly more optimistic, putting the crop at 9.6m tonnes.

The Government has also raised its forecast of soft wheat output by 800,000 tonnes in the last month. On July 11 it suggested the crop would yield only 16.1m tonnes, while yesterday, Reuter reported, it boosted this to 16.9m.

The barley harvest forecast has also been raised to 10.7m tonnes from 10.4m tonnes last month. Wheat production last year was a record 20.7m tonnes and barley output was 11.4m.

The French ministry has lowered its estimate of hard wheat production from 314,000 tonnes last month to 300,000 tonnes yesterday. Last year's crop produced 311,000 tonnes.

Overall, it said, grain output will be 9 per cent lower than last year because of frost damage.

Harvest prospects have also improved in the USSR, where the newspaper Izvestia said farmers in the vital eastern grain-growing regions were expecting an "excellent" crop.

In Washington, meanwhile, a Government report suggested that the agreement permitting the Soviet Union to increase its grain purchases would raise consumer prices in the U.S. by 0.2 per cent.

In London, a pay strike by 79 corn porters halted work at the Tilbury grain terminal. There are no grain ships in port at present but loading from stores to barges and lorries was stopped. A meeting to discuss the workers' claim is planned for Monday next week.

Copper price upswing continues

BY OUR COMMODITIES STAFF

TIGHTENING of nearby supplies prompted further sharp increases in copper prices on the London Metal Exchange yesterday. Weaker sterling also contributed to the rise.

Cash wirebars closed at £885 a tonne after a £28 surge which established a £2.50 a tonne premium over three months metal. Forward wirebars rose £18.25 on the day to £882.5 a tonne.

Stocks of copper in LME official warehouses have shrunk rapidly this year. At the end of last week reserves totalled 172,000 tonnes compared with 373,000 tonnes at the start of the year and 610,000 tonnes in August 1978.

In the U.S., leading producers raised their copper prices by 2 cents a pound.

The strength of copper prices also helped boost other metals in London. Three months lead, for example, rose £10.50 a tonne to £566, and forward zinc climbed £5 to £321.50 a tonne.

Tin gained ground, aided by copper and also boosted by a firmer market in Penang overnight. Standard grade metal gained £100 a tonne in both cash and three months positions, which closed at £6,722.50 and £6,670 a tonne respectively.

In Sudbury, Ontario, workers at Falconbridge Nickel Mines yesterday accepted a new three-year contract.

Officials with the Mine, Mill and Smelter Workers' Union said the agreement was slightly better than that accepted recently by workers at Inco.

UK trawlermen fear new quota cuts

BY RICHARD MOONEY

BRITAIN'S DISTANT water fishing fleet could face another crippling blow if recommendations by international scientists for catch cuts are accepted by the EEC Council of Ministers, according to the British Fishing Federation.

The federation said yesterday that the fleet had already shrunk to fewer than 70 vessels from 188 six years ago, and could be cut further as a result of cod and mackerel catch cuts called for by the International Committee for the Exploration of the Sea.

ICES, which advises governments on the state of North East Atlantic fish stocks, says the total allowable catch of North East Arctic cod should be cut from 660,000 tonnes a year to 390,000 and that Britain's West Coast mackerel fishery should be reduced to 335,000 tonnes from 435,000.

"Cuts like these will be disastrous for Britain's deep sea ports and put our home market even more at the mercy of the importers," a federation spokesman claimed.

He said the home water mackerel grounds and the "limited opportunities" in the North East Arctic were the only fisheries keeping the big trawlers going.

Quota cuts proportional to the ICES recommendations would reduce catch rates to unprofitable levels, he said.

Big ships would be laid up and their crews would be unemployed for even longer periods than at present.

German fishermen would also be affected by the cuts, he said, and this should put pressure on the EEC Commission to push for improved access in third country waters such as Canada and Greenland.

Hunt for farm drug pedlars

By Our Commodities Staff

THE MINISTRY of Agriculture is trying to track down the "larger concerns" behind a flourishing black-market trade in veterinary drugs. So far it has trapped only small-scale dealers, mostly individuals, handling illegal drugs coming from Ireland and the Continent.

Last year Ministry men seized 350 samples of suspect drugs from farmers and dealers and analysis showed that two-thirds contained antibiotics legally available only on prescription.

A third of the samples analysed bore no labels. Others were wrongly labelled or falsely marked with well-known drug makers' names.

Many antibiotics are widely used, legally, in livestock farming as growth promoters. There are some, however, which may be used only on prescription and only for therapeutic purposes.

The Ministry has carried through five successful prosecutions this year and six more are pending. But officials say the cases have so far involved only "small fry."

"We have had some difficulty obtaining the hard evidence needed to implicate the larger concerns involved," a spokesman said.

Prices of the illegal drugs are usually below those of reputable brands and they are normally sold direct to farmers by visiting salesmen.

EEC farm levy decision today

Financial Times Reporter

THE JOINT Management committee of the EEC Commission will decide today whether to reintroduce British Monetary Compensatory amounts, the EEC Intervention Board in Reading said yesterday.

British MCA's were suspended last weekend but the recent decline in the value of the pound has opened the possibility of renewal.

MCA's may be introduced if a currency varies by more than a gross 2.5 per cent from the "green" value used to translate EEC farm prices into the national currency and on Tuesday the gap between sterling and the "green" pound stood at 4.5 per cent.

SRI LANKA

Tea industry decline prompts reform bid

BY A CORRESPONDENT

SRI LANKA tea, which brings in a large proportion of the country's foreign exchange, is in the doldrums.

The rot began with the nationalisation of the major foreign, chiefly British-owned, plantations. Now, in an effort to stop this decay and rehabilitate the tea, rubber and coconut industries, the National Institute of Plantation Management Bill has been moved by Mr. M. D. H. Jayawardena, the Minister of Plantation Industries, in the Sri Lanka Parliament and passed without a division.

Training

Mr. Jayawardena said there was a need to train those engaged in the plantation sector in the various aspects of management and research. The UN Food and Agriculture Organisation had agreed to give $165,000 to help set up the Institute.

The Minister said personnel employed in both the public and private sector plantations would be given regular refresher courses in management techniques and other aspects of plantation work.

The majority of tea estates are now running at a loss. British companies ran the estates with management specialists and the chief causes of the present decline in the industry are "incompetent management and political influence. There is no proper administration and plantation discipline is low.

About 600,000 acres of tea are owned by the State and the private sector. The Government has set a target of replanting at the rate of 7,500 acres annually, and pays a subsidy of Rs 6,000 (£170) per acre as an incentive. But it is estimated that it costs Rs 25,000 to replant an acre of tea in the mid and low country and Rs 13,000 elsewhere.

A committee appointed to look into subsiding tea replanting has recommended Rs 15,000 an acre for mid and low country areas.

During a recent debate in Parliament, on the National Institute of Plantation Management Bill, several MPs claimed that though replanting had begun 25 years ago, only 73,000 acres had been effectively replanted. The MPs complained that it would take another 250 years to replant the 600,000 acres of tea in Sri Lanka.

High taxes

Another general complaint in Parliament was that the taxes on tea were too high. Members said that since nationalisation of the plantations by the Government, bureaucrats who knew nothing of replanting had imposed their ignorance on the sector.

Only in Sri Lanka, some MPs complained, was tea tax so high. In Kenya, a producer was paid about Rs 3.00 per lb.

The Government is making an all-out effort not only to increase tea production but also to improve quality.

Master plan for rubber

AT THE request of the Sri Lanka Government, the Commonwealth Development Corporation, with assistance from the British Ministry of Overseas Development, is to draw up a long-term development strategy for the country's rubber industry.

The replanting rate on Sri Lankan rubber plantations has lagged behind from about 1963, leaving a backlog of around 200,000 acres, which need immediate replanting. There is hardly any land available for new plantings so future increases in the production will have to be through increased yields from existing plantations.

Of the 560,000 acres of rubber in Sri Lanka, only a quarter belongs to the state. Smallholders own the rest.

The Smallholder Rubber Replanting Project aims to improve the slow pace of replanting which has ruled for many years. The two districts affected by the project are the two chief rubber growing regions of Sri Lanka—Kalatar and Ratnapura. The programme will eventually be extended to all the country's entire rubber growing areas.

The project will concentrate on the smallholder and assist him financially and technically. It will provide replanting payments for 24,000 acres of private rubber lands below 50 acres in the two districts.

The project is to be phased over five years and provides for the establishment of the infrastructure, as well as the strengthening of extension services and training facilities. Processing facilities will be provided for the smallholder through the extension of the Group Processing Centre Scheme.

The project is expected to raise rubber replanting by smallholders from its present annual rate of 1,400 acres to 9,000 acres. Payment for replanting would extend over 10 years and more will be spent on supporting services.

The average yield of the acreage to be replanted is estimated at 350 lbs per acre per year and would decline to about 100 lbs per acre per year over the 10 years.

The present output of 3,800 tons in the two districts is planned to increase to 13,000 tons by the eighth year. The increased output from the project area and the quality improvement of the sheet rubber would increase the f.o.b. value of Sri Lanka's rubber exports.

In 1978, Sri Lanka exported 350m lbs of natural rubber, most of it to China under the rubber-rice pact. In 1978, production reached 12,500 tonnes.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Sharply higher in hectic trading on the London Metal Exchange following the elimination of the contango and establishment of a backwardation, reflecting a tightening in the nearby supply situation and the reluctance of lenders. Forward metal opened around £872 and initially eased to £868 owing to trade selling. However, the establishment of a £5 backwardation prompted heavy short-covering and cash buying which pushed the price up to £888 with the weakening in sterling an additional factor. However, in the afternoon a rally in sterling coupled with modest profit-taking pared the price to £883 on the late kerb. Turnover 30,875 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	880-1	+38	884-5	+28
3 months	873.5-4	+17.5	882-3	+18.2
Settlem't	881	+32	—	......
Cathodes				
Cash	845-7	+35	852-4	+23.5
3 months	860.5-1	+23.2	867-8	+21
Settlem't	847	+25	—	......
U.S. Smt.	—	......	*84-87½	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £878, 80, 81, three months £870, 68, 69, 70, 72, 74, 73, 74, 73.5. Cathodes, three months £858, 58, 60, 62, 61. Kerb: Wirebars, three months £876, 75, 76, 77, 78, 79, 80, 81, 82, 84, 82, 81. Afternoon: Wirebars, three months £886, 87, 88, 86, 83, 82, 81, 82, 83. Cathodes, three months £867, 68. Kerb: Wirebars, three months £883, 85, 86, 87, 88, 85, 84, 82, 83.

TIN—Gained ground owing to the firmness of the Penang market and the general strength of other metals. Forward metal opened around £6,700 and moved ahead to £6,750 following bear covering, chartist buying and the fall in sterling. However, profit-taking and a rally in sterling pared the price to £6,700 on the late kerb. Turnover 800 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6660-70	+100	6690-705	+82.5
3 months	6715-25	+125	6730-40	+87.5
Settlem't	6670	+100	—	......
Standard				
Cash	6660-70	+100	6690-705	+82.5
3 months	6705-10	+125	6720-5	+100
Settlem't	6570	+100	—	......
Straits, E.	$1950	+20	—	......
NewYork	—	......		

Morning: Standard, cash £6,670, 60, three months £6,700, 10, 20, 10, 6,700, 6,695, 6,700, 10. Kerb: Standard, three months £6,700, 10, 25. Afternoon: Standard, three months £6,740, 50, 10, 6,700, 05, 10, 20. Kerb: Standard, three months £6,720, 10, 6,700, 6,690, 95.

LEAD—Moved ahead in sympathy with copper and also reflecting the fall in sterling. After opening at £558.5 forward metal pushed through the £565 level which prompted chartist buying and touched the day's high of £570 before reacting on profit-taking to close the late kerb at £563. Turnover 6,760 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	583-4	+21	585-5	+18
3 months	566-7	+22	565.5-6.5	+10.5
S'ment	584	+21	—	......
U.S. Spot	—	......	*58-62	......

Morning: Cash £584, 85, 84, three months £562, 61, 60, 58, 59, 61, 62, 64, 65, 66, 67, 68. Kerb: Three months £567, 66.5, 67, 68, 70. Afternoon: Three months £570, 69, 69.5, 70, 69, 68, 66, 65. Kerb: Three months £566, 67, 66, 65, 64, 62.

ZINC—Marked up reflecting the sharp gains in copper and lead, with forward metal finally quoted at £321 on the late kerb after a high of £322. Turnover 3,950 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	309-10	+8.75	310-1	+6.25
3 months	320.5-1.5	+4.5	321-2	+5
S'ment	310	+6	—	......
Prim w'st	—	......	*39.5	......

Morning: Cash £307.5, three months £319, 18, 20, 21, 22, 23, 24, 23, 22, 21, 20, 21. Kerb: Three months £320, 22, 23. Afternoon: Cash £310.5, three months £321, 22. Kerb: Three months £322.

ALUMINIUM—Firmer in quiet trading influenced by the rise in copper and the weakness of sterling. Forward metal traded in the mid £690s for most of the day prior to closing the late kerb at £694. Turnover 2,950 tonnes.

Alumin'm	a.m. Official	† + or —	p.m. Unofficial	† + or —
	£	£	£	£
Spot	701-4	+7	704-7	+7.5
3 months	691.5-2	+8.25	694.5-5	+7.25

Morning: Three months £692, 91, 92. Afternoon: Three months £695, 93, 92, 93, 94, 94.5, 95. Kerb: Three months £696, 94, 92.

NICKEL—Moved narrowly between £2,680 and £2,700 before closing the late kerb at £2,680. Turnover 210 tonnes.

COCOA

Origin selling caused cocoa futures to ease in thin trading conditions to close marginally above the lows of the day, reported Gill and Duffus.

COCOA	Yesterd'y's Close	+ or —	Business Done
Sept.	1408-1410	—30.0	1454-1405
Dec.	1472-1474	—25.5	1500-1467
March	1516-1524	—22.5	1548-1516
May	1546-1551	—23.0	1556-1547
July	1570-1587	—18.0	—
Sep	1598-1620	—11.0	—
Dec.	1650-1655	—17.5	1650-1640

Sales: 1,552 (2,869).

International Cocoa Organisation (U.S. cents per pound). Daily price Aug. 7: 143.66 (142.40); Indicator price for Aug. 8: 15-day average 143.40 (143.69); 22-day average 144.75 (145.00).

COFFEE

London coffee futures opened £25-£35 higher, mainly prompted by some early Commission House buying and currency considerations, but values tended to ease lower in steady conditions thereafter, reported Drexel Burnham Lambert. Further short-covering which reflected "C" Contract opening levels produced a £10-£15 rally, but trade and local selling restricted the rise, after which prices held steady in a narrow range until the close when dealer activity contributed towards an irregular tone with prices finishing £3.5 to £26.0 higher on the day.

COFFEE	Yesterdays Close £ per tonne	+ or —	Business Done
September	1710-1715	+26.0	1755-1705
November	1731-1732	+17.0	1750-1722
January	1730-1732	+16.5	1745-1720
March	1680-1686	+3.5	1705-1686
May	1660-1679	+5.0	1685
July	1650-1675	+7.5	1670
Sept.	1635-1665	+7.5	—

Sales: 4,185 (3,014)

RUBBER

Malaysian godown price of 286 (288) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept.	59.25-60.50	59.15-60.75	—
Oct.	60.70-61.35	60.50-61.60	—
Oct-Dec	61.55-61.60	61.50-61.55	61.70-61.20
Jan-Mar	64.40-64.50	64.55-64.65	64.70-64.15
Apr-Jne	66.70-66.75	66.85-66.95	66.90-66.50
Jly-Sept	69.05-69.10	69.40-69.50	69.25-69.05
Oct-Dec	71.35-71.50	71.75-71.80	—
Jan-Mar	73.80-74.00	74.20-74.25	—
Apr-Jne	76.30-76.50	76.45-76.55	76.60-76.60

Sales: 348 (511) at 15 tonnes.

Physical closing prices (buyer) were: Spot 59.0p (58.50p); Sept. 64.0p (same); Oct. 64.25p (same).

SOYABEAN MEAL

The London market opened with losses of £1 following further increase in crop prospects by private forecaster, Conrad Leslie, reported T. G. Roddick. However, with reserved selling and crop estimates in line with most traders' ideas, the market found support and rallied to close at best levels of the day.

	Yest'rd'y Close £ per tonne	+ or —	Business Done
August	107.80-11.0	+1.15	107.50-06.00
October	115.60-15.7	—0.50	113.80-12.50
December	118.60-18.8	—0.25	119.00-17.80
February	120.80-21.5	+0.25	—
April	121.00-24.0	—0.15	—
June	121.50-24.0	—0.25	—
August	122.0-27.0	—1.25	—

Sales: 57 (50).

SUGAR

LONDON DAILY PRICE (raw sugar): £100.0 (£98.0) a tonne cif for Aug.-Sept. shipments. White sugar daily price was £106.0 (£104.0).

The market opened quietly steady, and although currency considerations caused some nervous fluctuations during the mid-session prices gradually edged higher over the day to record gains of 2.25 on yesterday's [illegible]

GRAINS

SILVER

PRICE CHANGES

In tonnes unless otherwise stated.

MEAT/VEGETABLES

WOOL FUTURES

COTTON

RUBBER

AMERICAN MARKETS

NEW YORK, August 8.

A SHARP rally in gold and silver was initiated by profit-taking by shorts which touched off stop-loss buying. Copper benefited from this rally by advancing to new high levels on the present upward move. Trade buying resulted in good gains in coffee and sugar with price advances further supported through arbitrage buying. Grains and the soya-complex rallied, disregarding private crop estimates indicating record large crops. The livestock complex was mixed on short-covering in an over-sold market. Cotton continues to be in a trading range, showing minor gains this time. Cocoa came under Commission House selling for some sizeable losses, Heinold reported.

Copper—Aug. 87.10 (86.35), Sept. 87.30 (85.65), Oct. 87.40, Dec. 87.60, Jan. 87.70, March 87.95, May 88.00, July 88.05, Sept. 88.10, Dec. 88.15, Jan. 88.15, March 88.15, May 88.15, July nil.

Potatoes (round whites)—Nov. 65.7 (65.4), March 87.8 (86.3), April 103.5, May 125.8.

Sugar—Sept. 8.86 (8.72), Oct. 9.22 (9.04), Jan. 9.72, March 10.30, May 10.56, July 10.84, Sept. 11.22, Oct. 11.36.

*Platinum—Aug. 383.00 (378.00), Sept. nil (382.00), Oct. 384.00, Jan. 385.90, April 390.20, July 396.30, Oct. 400.10, Jan. 405.20.

*Gold—Aug. 293.80 (286.30), Sept. 295.30 (286.80), Oct. 297.90, Dec. 303.00, Feb. 307.90, April 312.80, June 317.70, Aug. 322.30, Oct. 326.90, Dec. 331.50, Feb. 336.10, April 340.60, June 345.10.

¶Silver—Aug. 894.0 (873.0), Sept. 899.0 (879.0), Oct. 906.5, Dec. 920.0, Jan. 926.3, March 938.9, May 951.3, July 963.7, Sept. 976.1, Dec. 994.6, Jan. 1000.9, March 1013.5, May 1026.1. Handy and Harman bullion spot 885.60 (874.20).

Tin—683.00-695.00 asked (677.00-690.00).

CHICAGO, August 8.

Lard—Chicago loose 24.75 (25.00). New York prime steam unavailable.

Live Cattle—Aug. 59.02-58.95 (57.57-58.97), Oct. 57.95-58.02 (56.52-57.97), Dec. 60.30-60.40, Jan. 61.95, Feb. 63.22-63.05, April 65.25-65.00, June 67.10-67.00, Aug. 66.20, Oct. 65.35, Dec. 66.70. Sales: 33,222.

Live Hogs—Aug. 34.85-34.65 (34.75-34.75), Oct. 32.20-32.15 (32.20-32.18), Dec. 33.05-33.15, Feb. 34.80-34.70, April 33.95-34.00, June 38.00-37.77, July 38.30, Aug. 37.22, Oct. 36.32. Sales: 5,423.

‡‡Maize—Sept. 281½-282 (277¾). Dec. 276¾-277 (273½), March 286-286¾, May 290¾-290½, July 292, Sept. 288.

Pork Bellies—Aug. 27.77 (28.77-27.77), Feb. 38.57-38.45 (39.30-38.53), March 38.70-39.00, May 40.00, July 41.10, Aug. 40.00. Sales: 6,256.

Silver—Aug. 883.0 (871.8), Sept. 886.3 (876.3), Oct. 904.8, Dec. 920.5, Feb. 933.7, April 945.5, June 957.8, Aug. 969.9, Oct. 982.4, Dec. 995.1, Feb. 1008.0, April 1021.1, June 1024.4, Aug. 1047.9, Oct. 1061.6, Dec. 1075.5, Feb. 1089.6, April 1103.9, June 1118.4, Aug. 1133.1.

†Soyabeans—Aug. 705½-705 (693¾), Sept. 706-707½ (699), Nov. 704-705½, Jan. 718½-719, March 730, May 739½-738¾, July 746, Aug. 741.

‖Soyabean Meal—Aug. 189.00-188.80 (187.40), Sept. 190.10-189.90 (188.90), Oct. 190.80-191.00, Dec. 193.30-193.00, Jan. 194.50, March 197.00, May 198.00-198.50, July 198.50-199.00, Aug. 199.50-200.00, Sept. 200.00-201.00.

Soyabean Oil—Aug. 27.60-27.55 (26.72), Sept. 26.70-26.65 (26.21), Oct. 26.25-26.20, Dec. 25.90-25.85, Jan. 25.88, March 26.00, May 26.05, July 26.10-26.08, Aug. 26.00, Sept. 25.95.

‡Wheat—Sept. 416-417 (408½), Dec. 427½-428½ (419), March 432, May 431, July 407, Sept. 412.

WINNIPEG, August 8. §Barley—Oct. 98.50 (95.80), Dec. 97.00 (94.40), March 96.40-96.60, May 97.20.

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 227.25 (224.50).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, August 8.

Wheat—U.S. No. 2 Dark Hard Winter 13.5 per cent, Aug. $192. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Sept. $180, Oct. $185.50, Nov. $188. U.S. No. 2 Northern Spring 14 per cent, Aug. $187.50, Sept. $188.50, Oct. $191, Nov. $193.50.

Maize—U.S. No. 3 Corn Yellow afloat $135, Aug. $136, Sept. $132.50, Oct.-Dec. $140.50, Jan.-March $146, April-June $150.

Soyameal—44 per cent protein U.S., Aug. $229, Sept. $234, Nov.-March $245, April-Sept. $248. Brazil Pellets afloat $229, Aug. $234, Sept. $239, Oct. $246, Nov. $253, April-Sept. $254.

PARIS, August 8

Cocoa (FFr per 100 kilos)—Sept. 1320-35, Dec. 1301-65, March 1401-25, May 1420-35, July 1435, Sept. 1450. Sales at call, 2.

Sugar (FFr per 100 kilos)—Oct. 1020-25, Nov. 1015-25, Dec. 1062-68, March 1120-40, May 1155-70, July 1170-88, Aug. 1180-1200, Oct. 1197-1214. Sales at call, nil.

INDICES

FINANCIAL TIMES

Aug. 7	Aug. 6	M'nth ago	Year ago
281.60	279.23	293.75	235.66

(Base: July 1, 1952=100)

MOODY'S

Aug. 7	Aug. 6	M'nth ago	Year ago
1062.4	1053.0	1091.5	912.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 7	Aug. 6	Month ago	Year ago
Spot	395.10	398.92	415.19	353.06
F'tur's	401.90	402.80	427.97	341.93

(Average 1924-25-26=100)

REUTERS

Aug. 8	Aug. 7	M'nth ago	Year ago
1560.7	1548.9	1586.1	1428.6

(Base: September 18, 1931=100)

0.09½. Democrats, per pound 0.09. Pears—Spanish: Limoneras per pound 0.12, Williams 0.16; French: Guyots 28 lb 2.60-2.70, Williams 3.10-3.30; Italian: Williams per pound 0.16. Plums—Spanish: Santa Rosa 2.60-3.60; Italian: per pound Burbanks 0.25; French: Gages 0.18. Grapes—Cypriot: Cardinal, per pound 0.35, Sultana 0.25, Thompson 0.30-0.32, Alphonse 0.45, Rosaki 0.40. Italian: Cardinal 10 lb 4.00, Vignetti 2.50. Nectarines—Italian: C/B/As 3.00-5.00. Bananas—Jamaican: per 28 lb 3.20-3.40. Avocados—S. African: 3.00-3.60. Melons—Spanish: Yellow honeydew 10 kilos 5/14s 2.50-3.00. Watermelons—Spanish/Greek, per box 2.20-2.40. Onions—Spanish: [illegible]

English Produce: Potatoes—New crop per bag 1.90-2.40. Lettuces—per 12 round 0.90-1.20, Cos 1.30, Webb's 1.20. Mushrooms—per pound 0.50-0.60. Apples—per pound Bramley 0.05-0.[illegible], Grenadiers 0.05-0.06. Tomatoes—per pound 1.00-1.20. Cucumbers—trays 8/18s 1.00-1.40. Cauliflowers—12s Lincoln 1.50-2.20. Celery—boxes 12/30s 1.50, large cartons 20/24s 2.60-2.80. Cherries—per pound 0.50-0.70. Peas—per pound 0.08-0.09. Broad beans—per pound 0.05. Onions—per bag 4.00. Carrots—per bunch 0.06, per bag 0.60-1.20. Beetroots—per bag 1.30-1.50.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod [illegible]

Markets livelier all round, index up 7.1 more to 473.7

Gilt rises to ¾ after long tap exhaustion—Golds good

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 16	July 26	July 27	Aug. 6
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sept. 3

* "New time" dealings may take place from 9.30 am two business days earlier.

Despite the slow progress being made to bring domestic monetary pressures under control, Tuesday's apparently favourable banking figures for July continued to inspire all-round firmness in British Funds and leading equities yesterday. The former, hesitant initially on thoughts that the money supply figures due next week will be well above the Government's target, received a boost from late morning announcement that the partly-paid £1,500m tap Treasury 11¾ per cent 2003-07 had run out just two weeks after the issue of this biggest-ever tap stock. Rises in long-dated issues ranged to ¾ and the Government Securities index put on 0.44 more to 73.55 for a gain of nearly 2 per cent in the last six business days.

Leading shares resumed the overnight trend, responding to increased buying interest in conditions which became much more lively than of late. More sizeable buyers were about and some useful gains were recorded in shares of some of the major exporters following the recent unwinding of speculative positions built up in sterling during its recent sharp rise. Favourable trading news was often reflected in good gains, and current speculative favourites were also well to the fore. The tone was good throughout the session and was still very firm at the close although prices then tended to ease slightly from the day's best.

The FT 30-share index ended 7.1 up at 473.7, after 474.2 at 3 pm, and the close was showing a gain of 5 per cent on the level ruling on Monday of last week. The ratio of rises to falls in all FT-quoted industrials rose from 3:1 to 7:1, and the Total Bargains figure of 18,563 was the highest for five weeks.

British Funds came to life yesterday when it became known that the £15-paid long tap, Treasury 11¾ per cent, had been activated at 15¼ and quickly exhausted at that level; about just over half of the £1.5bn issue was thought to have been sold on application when the stock was issued by tender on July 25. The sold out tap touched 15⅞ before settling at 15⅝ for a gain of ¾, while rises of a similar amount were recorded in other long-dated stocks. A good business developed in the shorts which opened a shade easier before making steady progress to close with gains extending to ¼.

Doubts about the latest Rhodesian initiative prompted a reaction in Southern Rhodesian Bonds, the 2½ per cent, 1965-70, at 86, and the 6 per cent 1978-81, at 123, both fell 3.

Aggressive institutional buying of investment currency saw the premium touch 28 per cent before closing a further 1½ points up at 27½ per cent. Yesterday's SE conversion factor was 0.9225 (0.9300).

The Traded options market was busier than of late, 543 contracts being completed against the previous day's 314 and last week's daily average of 273.

Barlow Holdings, the company formed by the amalgamation of Sungei Krian, Bradwell, Muar River and Chersonese, opened at 83p and touched 87p before settling at 85p.

Ins. Brokers up again

Continuing to draw strength from the improving dollar, Insurance Brokers made further progress and closed with gains ranging to 8. C. E. Heath put on that much to 198p and Sedgwick Forbes rose 7 to 90p. Composites also moved higher with Royals up 7 at 342p. Ahead of interim statements due next Tuesday and Wednesday respectively, Commercial Union put on 4 to 148p and General Accident gained 6 to 218p.

The better-than-expected preliminary profits and continuing bid hopes helped UDT stand out in the banking sector with a rise of 3 to 44p. Discounts gained ground in sympathy with firm gilts and Union ended 10 to the good at 370p. Selective demand in merchant banks left Hambros 5 harder at 310p and Kleinwort Benson 4 dearer at 134p. Still drawing strength from Press comment, Grindlays added 5 more at 100p.

Firmer at the outset following good institutional support, demand for Breweries fell away only to pick up again towards the close. The leaders all recorded reasonable gains with Whitbread, 5 up at 146p, and Scottish and Newcastle, 2 better at 66½p. Greenall Whitley continued to benefit from Tuesday's statement on dividend policy, finishing 4 higher at 165p for a two-day gain of 7.

Building issues became more active and the emergence of a little institutional support left the leaders with useful gains. Blue Circle rose 8 to 276p. Redland improved 6 to 182p, Costain 4 to 158p and Wimpey 2½ to 78p. Brown and Jackson revived with a gain of 10 to 285p and SGB put on 6 to 237p.

ICI encountered early interest and firmed 7 for a two-day gain of 15 to 342p.

Stores good

Stores came in for further good support which left double-figure gains in places. Gussies "A" continued firmly among the leaders, still in response to Press comment, and closed 6 higher at 420p, after 422p, while Burton "A" added a similar amount to 254p and British Home advanced 8 to 265p. Marks and Spencer improved 3 to 118p and House of Fraser 4 to 170p, after 173p. Elsewhere, investment buying prompted rises of 12 apiece in MFI Furniture, 172p, and Freemans, 166p, while Bambers hardened 5 to 138p and Walker and Staff improved 4 to 26p. Consideration of the deal whereby Dixons Photographic is buying the Greens' chain of photographic and hi-fi shops from Debenhams for £1.7m prompted a rise of 7 to 144p in the former, and a penny to 87p in the latter.

Bid hopes continued to bolster Stylo Shoes, up another 7 to 215p.

GEC encountered fresh buying interest and put on 11 more to 381p, while demand was also forthcoming for Thorn Electrical, 15 to the good at 438p. Elsewhere in the Electrical sector, Unitech, 180p, almost regained the previous day's fall of 10 which followed the results and proposed £4.7m rights issue. Revived demand lifted Sound Diffusion 5 to 132p, while occasional buying interest prompted a rise of 15 to 435p in Electrocomponents.

Engineering leaders made further progress, GKN improving 5 more to 267p and Hawker 6 to 202p. Trading in secondary issues was a little more lively than of late. Averys, up 11 at 253p, were supported awaiting the decision by the Monopolies Commission on GEC's intended bid. Staveley, a poor market recently, rallied 10 to 280p, while Bullough, 7 dearer at 217p, also staged a useful recovery. Wagon Industrial closed 4 higher at 168p on the good preliminary figures, while the chairman's encouraging statement on the outlook prompted a rise of 6 to 148p in Brown and Tawse. Glynwed hardened 2 to 102p following the half-yearly figures.

The Food sector again attracted a useful business and closing levels were around the best of the day. George Bassett continued the recent revival with a gain of 6 to 93p. Details of the company's proposed capital reduction and the chairman's cautious annual statement left Barker and Dobson ¼ cheaper at 18½p. In Supermarkets, Associated Dairies advanced 9 to 282p and J. Sainsbury firmed 5 to 328p, while speculative counter William Morrison put on 6 to 172p.

Miscellaneous industrial leaders took the previous day's gains a useful stage further. Again buoyed by sterling's recent relapse, Reckitt and Colman, 212p, Metal Box, 274p, and Unilever, 520p, all rose 4 more. Turner and Newall were particularly notable as buyers pushed the price up 7 to 130p, after 131p. Elsewhere, J. Bibby stood out with a jump of 27 to 455p on the doubled interim dividend, higher profits and proposed 50 per cent scrip-issue. Press comment drew buyers' attention to Burco Dean and the close was 11 higher at 75p, while Avon Rubber rose 4 more to 142p on speculative buying despite a reported bid denial.

On the bid situation, Bestobell advanced 6 to 228p, while bidders BTR rose 15 further to 330p; the former now stand 8 above BTR's cash offer but 14 below the share-exchange alternative. Investment buying lifted Vinten 16 to 158p, and Centreway jumped 20 more to 380p on further consideration of the results. By way of contrast, adverse comment brought fresh selling pressure to bear on Wilson Walton, down 3 at 17p.

Dowty attracted a good business among Motors and improved 11 to 322p. In firm Distributors, Harold Perry advanced 7 to 130p.

Associated Newspapers remained a good market, rising 10 more to 220p. Daily Mail A improved 13 at 420p. Bristol Evening Post, on the other hand, held at 120p, after 118p following the reduced full-year profits. Elsewhere, Ault and Wiborg firmed 2 to 47p on the results, while support was forthcoming for Saatchi and Saatchi, 125p and Watmoughs, 120p, both up around 7.

The belief that interest rates will fall sooner rather than recently envisaged stimulated fresh demand and general firmness in Property shares. Land Securities led the advance with a gain of 9 to 304p, while MEPC put on 5 to 191p.

Oils quiet

Oils traded quietly until the late dealings when scattered buying interest developed. British Petroleum finished 10 higher at 1210p. In secondary issues, Ultramar were particularly good at 310p, up 14.

Shippings were featured by a jump of 25 to 285p in Hunting Gibson following confirmation of the sale of its ship, MV Tyne Bridge, for £7m. In marked contrast, Furness Withy fell 12 to 254p on a report that KCA is unlikely to exercise its share option in Furness.

Trusts made headway in line with the fairly general improvement in equities. Among Financials, Hambro Trust, up 4 more at 54p, continued to reflect satisfaction with the preliminary figures, but Robert Kitchen Taylor, down 7 at 173p, met profit-taking after the recent speculative rise.

David Dixon featured generally firmer Textiles, rising 8 to 186p, after 168p, following the sharply higher dividend and profits. Buying in a thin market lifted Towles 5 to 90p, while John Foster closed a similar amount up at 43p.

Bats came in for renewed investment support, adding 8 at 291p. Elsewhere among Tobaccos, Britannia Arrow have offered 88p per share for Siemssen Hunter, valuing the company at around £5m; the latter's shares were suspended at 78p on June 22 "pending an announcement."

Good selective demand was apparent in Plantations, gains of 10 being recorded by Guthrie, 545p, London Sumatra, 265p, and Sungei Bahru, 150p. Jitra added 8 to 133p.

Good day for Golds

Mining markets enjoyed one of their best days for some time with all sections moving ahead reflecting a general improvement in metal prices and the firmness of the investment currency premium.

South African Golds did particularly well as the buoyancy of the bullion price—up $7.5 more to $291.375 an ounce—encouraged a good Continental demand in the morning.

This buying dried up in the afternoon, however, but modest U.S. support enabled prices to hold the day's best. The Gold Mines index registered a further 8.1 gain at 157.9, while the ex-premium index rose 6.4 to 145.7.

South African Financials fared equally well with Union Corporation 10 firmer at 336p and De Beers a like amount better at 350p.

Also in South Africans, New Wits. rose 4 to 113p and oVgels held steady at 72p both in front of improved profits and dividends.

Australians registered widespread gains, partly helped by renewed strength in overnight Sydney and Melbourne markets.

Base-metal producers attracted a good demand with MIM Holdings 7 up at 193p, and rises of 5 were common to Bougainville, 116p, North Broken Hill, 107p, and Mount Lyell, 39p. Pacific Copper came in for more speculative buying which pushed the shares another 6 higher at 106p—a week ago they were changing hands at 82p.

Elsewhere, the South African copper producer Palabora jumped 50 to 450p in response to persistent Johannesburg buying following the more than doubled profits and the increased interim dividend.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1050	168	2	—	—	—	—	1201p
BP	1300	16	—	58	5	84	—	"
Com. Union	140	15	10	19	—	24	—	147p
Com. Union	160	4	—	12	40	15	—	"
Cons. Gold	220	14	7	20	—	28	—	219p
GEC	360	39	15	59	—	70	—	382p
GEC	390	21	11	40	—	51	—	"
GEC	420	6	6	25	10	—	—	"
GEC	460	3	—	11	12	—	—	"
Grand Met.	118	38	20	—	—	—	—	153p
Grand Met.	128	28	5	34	—	—	—	"
Grand Met.	138	19	—	27	4	—	—	"
Grand Met.	158	7	45	14½	6	—	—	"
Grand Met.	178	2	—	6	2	—	—	"
ICI	300	49	—	53	—	56	5	341p
ICI	330	23	2	32	19	37	—	"
ICI	360	7	—	17	8	—	—	"
ICI	390	3	—	7½	10	—	—	"
ICI	420	1½	—	3	9	—	—	"
Land Secs.	280	36	2	47	10	57	10	304p
Land Secs.	300	19	12	33	—	44	—	"
Land Secs.	330	6	39	17	—	—	—	"
Marks & Sp.	110	14	—	18	2	22	—	118p
Marks & Sp.	120	8	24	12	—	16	—	"
Marks & Sp.	130	3	20	6	—	—	—	"
Shell	325	31	11	34	10	—	—	356p
Shell	350	9	1	19	—	—	—	"
Shell	375	5	10	12	7	—	—	"
Shell	400	2	—	7	1	—	—	"
Totals			240		155		15	
		August		**November**		**February**		
BOC Intl.	70	5½	—	7½	10	10½	—	74p
BOC Intl.	80	¾	—	3	10	5½	1	"
Boots	180	15	35	24	—	29	—	192p
Boots	200	3	10	12	—	17	—	"
EMI	120	1	—	5	5	9	—	95p
Imperial Gp.	100	¾	—	3½	30	6	—	94p
RTZ	260	26	—	40	4	51	—	282p
RTZ	280	6	8	27	3	33	—	"
RTZ	300	2½	10	18	6	29	—	"
RTZ	360	½	—	2	6	—	—	"
Totals			63		71		—	

FINANCIAL TIMES STOCK INDICES

	Aug. 8	Aug. 7	Aug. 6	Aug. 3	Aug. 2	Aug. 1	A year ago
Government Secs.	73.55	73.11	72.70	72.79	72.65	72.60	71.24
Fixed Interest	74.12	73.75	73.64	73.70	73.60	73.42	72.82
Industrial	473.7	466.6	469.6	457.8	465.7	466.8	516.2
Gold Mines	157.9	149.8	148.4	146.7	150.1	148.6	200.6
Gold Mines(Ex-$ pm)	145.7	139.3	137.6	135.1	138.7	136.8	128.8
Ord. Div. Yield	6.82	6.91	7.01	7.05	7.07	7.06	5.24
Earnings, Yld. % (full)	17.51	17.52	17.77	17.90	17.94	17.91	15.91
P/E Ratio (net) (*)	7.25	7.16	7.06	7.02	7.00	7.01	8.40
Total bargains	18,563	15,944	13,477	13,999	14,071	15,044	—
Equity turnover £m	—	76.87	43.53	52.98	68.12	74.82	145.17
Equity bargains total	—	10,627	8,820	9,419	10,558	10,360	25,414

10 am 473.0. 11 am 472.5. Noon 472.9. 1 pm 473.9.
2 pm 474.0. 3 pm 474.2.
Latest Index 01-246 8026.
* Nil = 6.98.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (8/8)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $pm	159.5 (8/8)	95.2 (2/11)	337.1 (3/4/74)	54.3 (26/6/76)

S.E. ACTIVITY

	Aug. 8	Aug. 7
—Daily		
Gilt Edged	153.7	158.9
Industrials	137.4	120.0
Speculative	25.8	28.6
Totals	91.7	84.7
5-d'y Av'r'ge		
Gilt Edged	145.0	158.6
Industrials	119.2	116.4
Speculative	24.0	24.0
Totals	81.5	79.6

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979:

NEW HIGHS (42)

BRITISH FUNDS (5)
Treas. 12pc 1984 — Conv. 5¼pc '81 Aft.
Treas. 11¾pc '03-07 (£15 pd.) — Treas. 3pc '68 Aft.
Consols 2½pc
CORPORATION LOANS (1)
Burnley 13pc 1987
BUILDINGS (2)
Finlan (John) — Westbrick Prods.
STORES (2)
Goldberg (A.) — Peters Stores
ELECTRICALS (4)
Chloride — Pye Holdings
Farnell Electronics — Sound Diffusion
FOODS (6)
Associated Biscuit — Kwik Save
Barr (A. G.) — Morrison (W.)
F.M.C. — [illegible]
HOTELS (1)
Warner Holidays A
INDUSTRIALS (7)
Bestobell — Gripperrods
Bibby (J.) — N.C.R. 4pc '93-98
Broken Hill Pty. — Russell (A.)
Cape Industries
LEISURE (1)
Photax
MOTORS (1)
Woodhead (J.)
PROPERTY (4)
Allied London — Gt. Portland Ests.
Capital & Counties — Vyrton
SHOES (1)
Stylo
TEXTILES (2)
Lowe — Toleys Internatl.
TRUSTS (4)
Camellia Invs. — Britannia Arrow
Gresham House — St. Inv. Tst. Jersey
MINES (1)
Oilmin

NEW LOWS (15)

FOREIGN BONDS (3)
Greek 7pc Ass. — Greek 6pc 1928
Do. 4pc Mixed Ass. — Stab. Ass.
AMERICANS (1)
AMF 5pc Conv. '87
STORES (1)
Blackman & Conrad
ENGINEERING (1)
Triplex Foundries
INDUSTRIALS (4)
Canning (W.) — Hill (Chas.)
Eiblec — L.K. Industrial Invs.
LEISURE (1)
Nationwide
PROPERTY (1)
Finance & Ind.
TEAS (2)
Empire Plantations — Blantyre
MINES (1)
South Crofty

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	67	1	15
Corpns., Dom. and Foreign Bonds	28	5	54
Industrials	648	77	788
Financial and Prop.	319	16	169
Oils	13	3	23
Plantations	17	2	15
Mines	97	8	39
Others	100	6	52
Totals	1,181	120	1,139

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 6	Aug. 17	Nov. 1	Nov. 12
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 17

For rate indications see end of Share Information Service

Call options were dealt in Cadbury Schweppes, Grimshawe, Hepworth Ceramic, EMI, British Printing, Lee Cooper, Lesney, Leboff (Fobel), Britannia Arrow, Belhaven, Smith Bros., P & O S & U Pref., Ladbroke, Maple, Talbex, Town and City, Le Bas, Hestair and Ward and Goldstone. A put was done in EMI, and doubles were arranged in BSR, Burmah and ENFC 9½ per cent 1992-97.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
GEC	25p	11	381	+11	456	311
ICI	£1	9	342	+ 7	415	314
RTZ	25p	8	282	+ 2	362	226
Marks & Spencer	25p	8	118	+ 3	134	83
Shell Transport	25p	8	356	—	402	278
Barclays Bank	£1	7	437	+ 2	514	360
Land Secs.	50p	7	304	+ 9	323	244
NatWest Bank	£1	7	332	+ 2	406	278
P. & O. Defd.	£1	7	103	+ 1	105	71
BAT Inds.	25p	6	291	+ 8	362	255
Beecham 'New'	25p	6	139	+ 2	139	130½
BP	£1	6	1,210	+10	1,295	883
Cons. Gold Fields	25p	6	220	+ 3	268	173
Grand Met.	50p	6	153	+ 4	175½	110½
GUS A	25p	6	420	+ 6	448	286

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Food Retailing	+36.56	Gold Mines F.T.	+ 5.8
Property	+32.94	Capital Goods Group	+ 3.65
Oils	+30.33	Engineering Contractors	+ 3.40
Stores	+29.02	Tobaccos	+ 2.5
Merchant Banks	+23.89	Food Manufacturing	+ 2.28
Breweries	+22.35	Other Groups	+ 1.82
Electronics, Radio and TV	+20.50	Insurance (Composite)	+ 0.41
Mining Finance	+18.25	Investment Trusts	+ 0.27
Discount Houses	+18.49	Chemicals	+ 0.11
Wines and Spirits	+17.79	Metal and Metal Forming	− 0.11
Entertainment and Catering	+15.29	Hire Purchase	− 0.63
Consumer Goods (Non-Durable) Group	+14.87	Contracting and Construction	− 1.60
Overseas Traders	+13.07	Mechanical Engineering	− 3.69
Banks	+12.70	Packaging and Paper	− 4.41
500-Share Index	+11.80	Motors and Distributors	− 7.29
Financial Group	+11.24	Office Equipment	− 8.35
All-Share Index	+11.16	Pharmaceutical Products	−10.16
Electricals	+11.04	Household Goods	−11.55
Insurance (Life)	+10.87	Textiles	−15.05
Consumer Goods (Durable) Group	+ 8.99	Insurance Brokers	−16.95
Newspapers and Publishing	+ 8.82	Toys and Games	−20.09
Shipping	+ 8.82		
Building Materials	+ 8.46		
Industrial Group	+ 8.39		

Percentage changes based on Tuesday, August 7, 1979 indices.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Arrow Chemicals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Barlow Hldgs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Fairline Boats	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mercantile House	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Metroy Oil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	St. George Assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Standard Tel. & Cables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Group	Wed., Aug. 8, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. Aug. 7 Index No.	Mon. Aug. 6 Index No.	Fri. Aug. 3 Index No.	Thurs. Aug. 2 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	243.79	+1.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	224.31	+1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	373.29	+1.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	610.86	+2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (12)	369.10	+1.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (74)	177.52	+1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	161.98	+1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	CONSUMER GOODS (DURABLE) (52)	231.38	+2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	324.54	+2.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (13)	149.14	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (25)	113.00	+1.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (171)	241.44	+1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	287.56	+1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	333.45	+2.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	313.89	+1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	207.79	+1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	316.18	+1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	409.28	+2.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	138.79	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (41)	225.96	+2.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (23)	175.82	+1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	246.97	+2.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	73.70	+0.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (99)	200.61	+1.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	271.82	+1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Pharmaceutical Products (7)	182.86	+1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Office Equipment (6)	119.66	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Shipping (10)	443.97	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	Miscellaneous (58)	230.60	+2.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (494)	238.60	+1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (6)	661.75	+0.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	272.78	+1.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (116)	189.50	+1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	222.70	+1.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	255.33	+1.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	267.02	+2.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	148.88	+0.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	134.20	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	257.53	+4.1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	128.63	+1.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (43)	362.21	+1.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (7)	130.60	+1.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (110)	206.94	+1.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	121.24	+0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	316.61	+1.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	260.27	+1.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed. Aug. 8	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.85	+0.04	[illegible]	[illegible]
2	5-15 years	117.98	+0.48	[illegible]	[illegible]
3	Over 15 years	125.38	+0.71	[illegible]	[illegible]
4	Irredeemables	139.85	+0.90	[illegible]	[illegible]
5	All stocks	115.80	+0.42	[illegible]	[illegible]

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

		Wed. Aug. 8	Tues. Aug. 7	Year ago (approx.)
1	Low Coupons 5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons 5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7	High Coupons 5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables	[illegible]	[illegible]	[illegible]

		Wed. Aug. 8 Index No.	Yield	Tues. Aug. 7	Mon. Aug. 6	Fri. Aug. 3	Thurs. Aug. 2	Wed. Aug. 1	Tues. July 31	Mon. July 30	Year ago (approx.)
15	20-yr Red. Deb & Loans (15)	58.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	50.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	71.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tst.	107.4	113.0	+0.7	3.14
Abbey Capital	37.4	39.8	+0.5	4.63
Abbey Income	43.9	46.7	+0.6	6.50
Abbey Inv. Tst. Fd.	36.3	38.6	+0.5	5.47
Abbey Gen. Tst.	50.1	53.3	+0.8	4.57
Equitas Prog. Tst.	68.9	72.7	+1.0	4.66

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt & Pref.	98.6	103.8	.....	12.05

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	73.0	78.1	+1.0	5.33
Brit. Inds. Fund	69.9	74.8	+1.1	5.43
Grth. & Inc.	40.4	43.2	+0.6	5.09
Elect. & Ind. Dev.	37.8	40.4	+0.5	4.40
Allied Capital	75.3	80.6	+1.1	4.96
Hambro Fund	116.8	125.0	+1.6	5.09
Hambro Acc. Fd.	137.4	147.0	+2.0	4.36
Income Funds				
High Yield Fd.	72.7	76.7	+0.6	8.42
High Income	70.3	75.2	+0.9	7.18
A. H. Eq. Inc.	40.7	43.5	+0.9	7.31
International Funds				
International	25.2	27.0	+0.3	2.97
Pacific Fund	35.1	37.6	+0.5	2.37
Secs. Of America	55.5	59.4	+0.6	2.12
Specialist Funds				
Smaller Co.'s Fd.	45.9	49.1	+0.4	4.07
2nd Smlr. Co's Fd.	57.8	61.8	+0.4	4.05
Recovery Sits.	111.6	119.4	+1.4	5.50
Met. Min. & C'dty.	45.3	48.5	+0.6	5.36
Overseas Earnings	56.7	60.7	+0.9	4.78
Exempt Funds				
Far East Exempt	43.4	45.1	+0.4	3.11
Smaller Co. Exempt	72.6	76.2	+0.6	4.51
J.S.A. Exempt	98.4	102.3	+1.3	2.15

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	54.0	58.4	.....	4.50

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	48.5	57.8	-1.4	4.72
Do. Accum.	64.9	69.4	+0.8	4.72

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Aug. 2	102.6	102.8	.....	4.86
Gross Inc. Aug. 2	73.8	75.2	.....	10.24
High Yield Aug. 2	86.7	89.2	.....	9.59

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	102.2	108.7	.....	3.60
Do. Acc.	126.9	134.9	.....	3.60
G.T. Inc. Fd. Un.	169.7	180.5	.....	8.40
G.T. U.S. & Gen.	129.6	137.8	.....	3.00
G.T. Japan & Gen.	77.5	82.0	.....	2.3
♦Gt. Pens. Ex. Fd.	209.4	219.8	.....	3.9
G.T. Int'l. Fund	144.8	154.8	.....	2.10
G.T. Four Yds. Fd.	53.4	56.8	.....	7.90
G.T. Far East & Gen.	43.3	46.5	.....	3.40

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	35.5	37.9	+0.4	5.09

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Tst.	24.6	26.5	+0.5	0.94
British Tst. (Acc.)	61.8	66.5	+0.5	3.34
Commodity Share	28.5	30.6	+0.4	3.29
Extra Income Tst.	23.7	25.5	+0.2	9.68
Far East Trust	30.0	32.2	+0.3	0.34
High Income Tst.	58.0	62.4	+0.3	9.61
Income Fund	75.4	81.1	+0.7	7.34
Ins. Agencies	34.01	34.99	+0.26	4.28
Intl. Exempt Fd.	93.6	101.0	+0.8	6.88
Intl. Tst. (Acc.)	29.8	32.1	+0.3	1.04

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2. 01-588 4111

Extra Income	29.3	31.9	+0.3	9.60
Income	41.6	45.2	+0.8	9.20
Accumulation	78.2	85.0	+1.8	4.50

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster July 30	38.2	40.2	.....	6.27
Exempt July 31	100.7	104.7	.....	6.40

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	52.9	55.6	.....	3.81

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	66.7	71.0	.....	4.57

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	51.8	55.2	+0.7	7.57
Mutual Inc. Tst.	71.9	74.3	+0.8	7.83
Mutual Blue Chip	45.9	49.3	+0.6	6.86
Mutual High Yld.	56.6	60.7	+0.5	9.29

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 8555.

Income August 1	157.2	163.0	.....	6.34
(Accum. Units)	223.2	231.4	.....	6.34
Capt. August 1	132.4	137.2	.....	3.54
(Accum. Units)	163.0	169.0	.....	3.54

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst.	50.2	53.5	.....	5.25
(Accum. Units)*	63.5	67.6	.....	5.25
NPI O'seas. Trust	120.1	127.1	.....	2.60
(Accum. Units)**	130.0	137.6	.....	2.60

*Prices on Aug. 2. Next dealing Aug. 15.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060

Capital (Accum.)	70.5	75.8	+1.3	4.27
Extra Inc.	65.3	70.2	+0.9	8.70
Financial	34.2	36.7	+0.5	5.44
Growth Inv.	86.8	93.4	+1.6	5.12
Income	36.2	38.9	+0.6	7.64
Portfolio Inv. Fd.	72.8	78.2	+1.1	6.25
Universal Fd.	44.3	47.6	+1.1	2.78

NEL Trust Managers Ltd.♥ (a)(g)
Milton Court, Dorking, Surrey. 5911

Nelstar	63.1	66.6	+1.1	5.24
Nelstar High Inc.	47.7	50.3	+0.5	8.01

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	139.5	148.0	+2.5	5.13

Quilter Management Co. Ltd.♥
The Stock Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	117.6	122.6	.....	4.40
Quadrant Income	133.9	138.1	.....	8.55
Quadrant Intl. Fund	98.3	101.4	.....	1.68

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	68.7	73.4	.....	6.21
Sekforde T. (Acc.)	43.9	47.0	+1.1	5.54
Sekforde T. Inc.	41.4	44.2	+1.0	5.54

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Ridgefield Int. UT	71.0	76.0	.....	3.11
Ridgefield Income	87.0	93.0	.....	9.79

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N.C. Equity Fund	176.5	187.7	+2.6	3.96
N.C. Engy. Res. Tst.	120.0	127.7	+1.2	4.27
N.C. Income Fund	149.0	158.5	+1.1	8.07
N.C. Intl. Fd. (Inc.)	76.9	81.8	+1.7	1.73
N.C. Intl. Fd. (Acc.)	79.0	84.0	+1.6	1.73
N.C. Smllr Coys Fd.	182.4	194.0	+2.3	4.31

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American Aug. 2	61.5	64.5	.....	1.49
Securities Aug. 7	190.0	200.0	.....	3.83
High Yield Aug. 3	53.6	56.5	.....	8.94
(Accum. Units)	80.5	84.8	.....	8.94
Merlin August 8	84.5	88.8	+1.5	4.03
(Accum. Units)	107.8	113.2	+1.9	4.03

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044

Capital Fd.	68.8	72.6	.....	3.57
Income Fd.	66.0	69.6	.....	8.10

Prices on July 31. Next dealing August 15.

Save & Prosper Group♥
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

Schlesinger Trust Mngrs. Ltd. (a)(c)(g)
140, South Street, Dorking (0306) 86441

Am. Exempt	22.5	23.7	+0.3	5.58
Am. Growth	27.9	30.1	+0.3	3.08
Am. Smaller Cos.	30.2	32.5	+0.3	2.01
Exempt High Yld.	27.9	29.4	+0.3	8.15
Exempt Mkt. Ldrs.	29.3	30.9	+0.5	4.54
Extra Inc. Tst.	28.4	30.5	+0.2	9.82
Income Dist.	42.3	46.3	+0.4	9.44
Inc. 10% Wdrwl.	31.4	34.0	+0.3	—
Inv. Tst. Units	27.2	29.3	+0.3	5.21
Intl. Growth	46.8	50.3	+0.3	4.15
Market Leaders	32.3	34.9	+0.9	5.49
"Nil Yield"	29.5	31.9	+0.5	—
Pref. & Gilt Trust	25.0	25.6	.....	12.00
Property Shares	39.0	42.2	+0.6	2.07
Special Sit. Tst.	38.6	41.5	.....	1.79
U.K. Grth. Accum.	25.0	26.9	+0.2	5.13
U.K. Grth. Dist.	21.3	22.9	+0.2	5.13

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)
120, Cheapside, E.C.2. 01-240 3434

Capital Aug. 7	109.9	119.1	.....	3.20
(Accum. Units)	135.1	145.2	.....	3.20
Income Aug. 7	193.5	208.0	.....	8.07
(Accum. Units)	302.2	324.9	.....	8.07
General Aug. 8	93.9	100.9	+3.3	4.16
(Accum. Units)	120.5	129.5	+4.2	4.16
Europe July 27	25.3	27.2	.....	3.60
(Accum. Units)	28.3	30.5	.....	3.60
*Pn&ChFd July 24	185.3	191.0	.....	4.76
*Recovery Aug. 7	227.2	234.2	.....	5.00
*Spec. Ex. Aug. 7	307.5	317.0	.....	3.62

*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	53.6	57.3	.....	5.17
Accum. Units	63.8	67.9	.....	5.17

Dealing day Wednesday.

Sebag Unit Tst. Managers Ltd.♥ (a)
PO Box 511, Bcklbry. Hse., E.C.4. 01-236 5000

Sebag Capital Fd.	35.9	40.9	+0.4	4.33
Sebag Income Fd.	30.6	32.4	+0.3	8.66

Security Selection Ltd.
Regis Hse., King William St., EC4
(Admin Office) 01-623 4951

Unvl Gth Tst Acc.	24.6	26.2	.....	4.77
Unvl Gth Tst Inc.	20.3	21.6	.....	4.77

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271
†Stewart American Fund

Standard Units	56.9	60.3	.....	1.55

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PY 01-628 2294

Income & Growth	22.9	24.1	+0.2	8.80

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2 01-628 8011

TUUT August 1	52.7	56.1	.....	5.43

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican August 2	76.6	81.8	.....	6.90
(Accum. Units)	124.0	132.4	.....	6.90
♦Barb. Expt. July 25	72.5	74.1	.....	6.74
Buckm. August 2	81.7	86.8	.....	5.13
(Accum. Units)	104.4	110.9	.....	5.13
Colemco July 27	152.4	139.4	.....	6.26
(Accum. Units)	166.1	174.9	.....	6.26
Cuml. August 8	54.7	58.8	+1.7	7.57
(Accum. Units)	62.8	67.5	+2.0	7.57
Glen Aug. 7	55.3	58.9	.....	3.94
(Accum. Units)	73.3	78.0	.....	3.94
Marlboro Aug. 7	46.6	50.9	.....	2.81
(Accum. Units)	56.7	59.4	.....	2.81
Van. Grwt Aug. 7	51.1	53.8	.....	3.99
(Accum. Units)	64.2	67.6	.....	3.99
Vang. Hy Aug. 7	68.4	72.6	.....	8.57
Vang. T'ee August 8	45.1	47.9	+1.2	5.89
(Accum. Units)	49.1	52.2	+1.3	5.89
Wickmr. Aug. 2	63.9	67.8	.....	4.64
(Accum. Units)	77.4	84.2	.....	4.64
Wick-Div. July 27	67.2	71.4	.....	8.79
Do. Accum.	81.7	87.3	.....	8.79

Tyndall Managers Ltd.♥
18, Canynge Road, Bristol. 0272 32241

Income August 8	95.0	99.8	+1.8	9.56
(Accum. Units)	185.2	194.6	+4.6	9.56
Capital August 8	135.2	142.0	+3.4	4.48
(Accum. Units)	196.0	205.8	+5.2	4.48
Exempt August 8	109.8	115.4	+1.4	8.83
(Accum. Units)	165.4	173.8	+2.0	8.83
Int. Earns August 8	248.6	263.6	+6.4	6.00
(Accum. Units)	286.2	303.4	+7.4	6.00
Pref. August 8	106.2	112.6	.....	13.08
(Accum. Units)	139.6	148.0	.....	13.08

24, Castle St., Edinburgh. 031 225 1368

Scot. Inc. Aug. 8	160.2	170.0	+0.2	9.97
Scot. Cap. Aug. 8	140.0	148.4	+2.4	5.42
(Accum. Units)	172.8	183.2	+3.2	5.42

London Wall Group 0272 32241

Capital Growth	79.9	86.4	+0.8	7.55
Do. Accum.	88.1	94.2	+0.9	7.55
Extra Inc. Growth	35.2	37.8	+0.3	11.19

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund		$US8.23	+0.07	—

Net asset value August 8.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg. Fd.	£12.67	12.68	.....	12.02

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	124.0	126.0	.....	7.81

Next dealing August 20.

Gov't Secs. Tst.	89.5	92.0	.....	13.86

Next dealing date August 13.

East & Intl. Tst. (CI)	102	109	.....	3.47

Next dealing date Aug. 9.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares		$US1.48	.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	109.88	110.44	.....	8.36

Prices at August 2. Next sub. day August 8.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	$US55.80	61.64	+0.04	8.15

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	85.2	90.4	.....	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	45.7	48.1	.....	12.70
Unidollar Trust	US$11.74	12.37	.....	1.70
Unibond Trust	$US98.69	99.65	.....	9.00

1, Thomas St., Douglas, Isle o.Man. 0624 4856

Unicorn Aust. Ext.	41.1	44.3	.....	2.00
Do. Aus. Min.	31.1	33.5	+0.8	1.80
Do. Grtr. Pacific	64.3	69.2	.....	—

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,347	1,481	.....	2.40
Bondselex	Fr117.85	123.80	+0.45	2.40
Central Assets	£149.00	149.05	+0.09	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.52	9.56	+0.16	11.50
Gilt Trust (I.o.M.)	105.3	108.4	.....	11.50
Gilt Fnd. Guernsey	9.55	9.51	.....	11.50

Intl. Govt. Secs. Tst.

First Sterling	£21.47	21.28	.....	—
First Intl.	$US235.10	236.64	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest		LF1131	+4	4.24
Guernsey Inc.	65.4	69.5	.....	4.82
Do. Accum.	83.2	88.3	.....	4.82
KB Far East Fd.		US$13.27	.....	2.26
KB Gilt Fund	£10.91	10.97	+0.12	12.00
KB Int. Bd. Fd. Inc.		102.71	.....	8.20
KB Int. Bd. Fd. Acc.		108.23	.....	—
KB Intl. Fund		$US12.67	.....	2.21
KB Japan Fund		$US31.01	.....	0.96
K.B. U.S. Gwth. Fd.		US$13.77	.....	1.45
Signet Bermuda		US$5.40	.....	1.85

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Hellier, Jersey. 0534 27561

Lloyds Tst. O'seas.	51.0	53.6	.....	3.10

Next dealing August 15.

Lloyds Trust Gilt	£10.24	10.25	+0.18	11.75

Next dealing August 15.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF350.00	374.50	.....	1.20
Lloyds Int. Income	SF295.00	306.50	.....	5.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic Aug. 7	$US3.69	4.04	.....	—
Aus. Ex. Aug. 8	US$2.89	3.28	-0.06	—
Gold Ex. Acc.	US$17.5	19.49	+0.09	—

NOTES

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Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

High	Low	Stock	Price	+ or -	Int.	Red.
103¾	98¼	FFI 13pc 1981	100	......	13.00	12.93
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¼	Do. 14pc '83	102¾	......	13.63	13.12
86½	77½	ICFC 5½pc Deb. '80-82	84½	......	6.70	12.30
85	71½	Do. 6¼pcDb. '81-84	73	......	8.17	12.40
99	84½	Do. 10¼pc Uns.Ln. '86	91½	......	11.62	12.75
99	84½	Do. 11pc Uns.Ln. '88	93	......	11.93	12.40
101½	84	Do. 11¾pc Uns.Ln. '90	95½	......	12.45	12.90
72½	57	Do. 7¼pcADeb. '89-92	66	......	11.10	12.60
69	53½	Do. 7¼pcA Db. '91-94	66	......	11.52	12.90
81½	64½	Do.9pc'A' '91-94	78	......	12.12	12.90
78½	62½	Do.8¼pcLn. '92-97	72xd	......	12.32	12.80
101	95½	Do. 12½pc Uns. Ln 1992	100¼	......	12.93	13.06

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 8¾% (based on US$2.2050 per £)
Conversion factor 0.9225 (0.9300)

CANADIANS

S.E. List Premium 8¾% (based on $2.5839 per £)

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
£18½	£10¼	C'hgn.Hbk.Kr100	£10¼	......	Q12%	—	11.1	—
41	29	Corinthian 10p	35	-1	1.05	5.9	4.3	4.0
£24¾	£15	Cred. France F75	£17½	+½	Q9.67%	—	3.7	—
16	12	Dawes (G. R.)	12	......	—	—	—	—
£121	£64	Deutsche Bank DM50	£67½	......	Q28.12%	—	5.1	—
90	63	F. C. Finance	63	......	2.2	4.9	5.0	5.8
8¼	5¼	First Nat. 10p	6	+¼	—	—	—	0.4
4	2	Do. Wrrts. 75-83	2½	......	—	—	—	—

For Fraser Ansbacher see Ansbacher (H.)

High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
266	178	Gerrard Natnl.	250	+2	9.12	—	5.2	—
62	39	Gibbs (A.)	52	......	2.2	—	6.0	—
270	217	Gillett Bros. £1.	222xd	......	†16.95	—	10.9	—

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	YM Gr's
14	9	Acmex	12	......	—	—	—
14	4	ACM 20c	9	......	—	—	—
171	100	Bougainville 50 Toea	116	+5	Q15c	1.0	6.6
140	84	BH South 50c	106	+3	—	—	—
860	340	Central Pacific	670	......			
318	170	Conzinc Riotinto 50c	195	+5	NQ10c	2.0	2.6
36	16	Cultus Pacific N.L.	18	......	—	—	—
21½	11	Endeavour 20c	14	......	—	—	—
98	62	G.M. Kalgoorlie $1	79	+1	ZQ3c	—	2.0
42	23	Haoma Gold N.L.	28	......	—	—	—
210	148	Hampton Areas 5p	185	......	3.5	2.8	2.7
71½	25	Metals Ex. 50c	41	+1	—	—	—
275	168	M.I.M. Hldgs. 50c	193	+7	†Q9c	1.7	2.4
15	15	Minefields Expl.	15	......	—	—	—
74	30	Mount Lyell 25c	39	+5	—	—	—
44	14	Newmetal 20c	15	......	—	—	—
141	91	North B. Hill 50c	107	+5	†Q8c	1.3	3.8
22	11	Nth. Kalgurli	17	......	—	—	—
40	22	Nth. West Mining	26	+1	—	—	—
137	76	Oakbridge $A1	78	......	Q12c	1.9	8.1
38	22	Oilmin N. L.	38	+3	—	—	—
120	58	Pacific Copper	106	+6	—	—	—
£10¾	625	Pancont'l 25c	750	+25	—	—	—
25¼	15½	Paringa M&Ex.5p	20	+1	—	—	—
510	268	Peko-Wallsend 50c	300	+5	Q15c	3.3	2.6
340	145	Southern Pacific	265	−5	—	—	—
16	12	West Coast 25c	13	......	—	—	—
188	121	Westn. Mining 50c	151	+2	†Q3c	0.7	1.0
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	55	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	YM Gr's
30	23	Amal. Nigeria	27	......	2.81	1.3	14.9
435	265	Ayer Hitam $M1	295	+5	Q300c	0.5	21.9
72	51	Beralt Tin	51	......	4.0	3.3	11.2
270	175	Berjuntai $M1	185	......	†Q110c	1.0	12.8
160	125	Geevor	135xd	......	8.71	3.1	9.2
10½	8	Gold & Base 12½p	8	......	—	—	—
365	295	Gopeng Cons.	315	......	†18.0	1.4	8.2
370	295	Hongkong	320	......	†12.5	2.8	5.6
98	64	Idris 10p	84xd	......	†8.0	1.6	13.6
14	9½	Jantar 12½p	11	......	♦	—	—
95	58	Kamunting $M0.50	70	......	†Q12.5c	2.1	3.8
620	210	Killinghall $M1	340	......	—	—	—
465	365	Malay Dredging $M1	390	+5	†175c	0.7	1.6
57	28	ΔPahang	30	+1	—	—	—
123	60	Pengkalen 10p	115	+3	4.5	1.2	5.8
275	195	Petaling $M1	210	......	†Q120c	1.3	12.3
85	62	Saint Piran	72	......	†2.09	6.5	4.0
58	44	South Crofty 10p	44	−1	†4.19	2.0	13.6
230	170	South Kinta $M0.50	185	+5	†sQ145c	0.6	16.8
405	285	Sthn Malayan $M1	340	......	†Q190c	1.0	12.0
310	210	Sungei Besi $M1	250	......	Q520c	φ	60.2
75	40	Supreme Corp. $M1	45	+5	ZQ10c	—	4.8
105	94	Tanjong 15p	95	......	7.5	0.7	11.5
115	90	Tongkah H. Tin	90	......	†Q24c	0.7	6.0
280	190	Tronoh $M1	205	+5	Q25c	5.2	2.7

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	YM Gr's
111	56	Messina R0.50	78	+3	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	YM Gr's
81	54	Barymin	58	......	—	—	—
13½	10	Burma Mines 17½p	11	−½	—	—	—
345	170	Cons. Murch. 10c	260	+5	ZQ30c	—	5.9
410	290	Northgate C$1	330	+5	—	—	—
362	226	R.T.Z.	282	+2	11.5	2.7	5.8
31	18	Robert Mines	26	+1	—	—	—
65	30	Sabina Inds. C$1	36	+1	—	—	—
880	525	Tara Exptn. $1	562	+12	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	YM Gr's
$17½	$10⅞	Buffels R1	$14⅞	+¼	Q200c	φ	16.3
$15½	890c	East Drie R1	$12⅞	+⅜	†Q115c	1.6	11.3
$10¾	350c	East Rand Prp. R1	962c	+37	†Q10c	—	1.3
$27⅞	$18¾	F.S. Geduld 50c	$25¼	+1¼	†Q315c	2.4	15.1
$19⅝	$11⅛	Pres. Brand 50c	$18	+¾	†Q150c	3.2	10.1
$18⅛	$10¼	St. Helena R1	$16⅝	+½	†Q190c	1.4	13.8
760c	407c	Stilfontein 50c	690c	+25	†Q66c	1.7	11.6
$35¼	$18¾	Vaal Reefs 50c	$31	+1⅝	†Q280c	2.7	11.5
$50¼	$28¾	West Drie R1	$44½	+1½	Q615c	φ	16.7
$36½	$22¼	West Hldgs. 50c	$32¼	+1	†Q415c	1.4	15.6
$18½	$10⅞	Western Deep R2	$14¾	+½	†Q147½c	2.1	13.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 26

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv. 20p	26	......	Sindall (Wm.)	165	......
Bertam	23	−1	IRISH		
Bdg'wtr. Est. 50p	405	......	Conv. 9% '80/82	£86	......
Clover Croft	28	......	Nat. 9¾% 84/89	£71⅝	......
Craig & Rose £1	£11½	......	Fin. 13% 97/02	£85⅝	+⅝
Dyson (R. A.) A	26	......	Alliance Gas	85	......
Ellis & McHdy	180	......	Arnott	345	......
Fife Forge	54	......	Carroll (P.J.)	105	+2
Finlay Pkg. 5p	19	......	Clondalkin	79	......
Graig Ship. £1	315	......	Concrete Prods.	87	......
Higsons Brew	75	......	Heiton (Hldgs.)	78	......
Holt (Jos) 25p	260	......	Ins. Corp.	200	......
I.O.M. Stm. £1	155	......	Irish Ropes	70	......
Pearce (C. H.)	265	......	Jacob	40	......
Peel Mills	30	......	T.M.G.	165	......
Sheff. Refrshmt	105	......	Unidare	81	......

OPTIONS
3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		I.C.I.	24	Tube Invest.	30
A. Brew	9	"Imps"	8	Unilever	55
BOC Intl.	6	I.C.L.	55	U.D.T.	5
B.S.R.	7	Inveresk	7	Utd. Drapery	10
Babcock	18	KCA	5	Vickers	18
Barclays Bank	32	Ladbroke	22	Woolworths	7½
Beecham	52	Legal & Gen.	14		
Blue Circle	18	Lex Service	11	**Property**	
Boots	18	Lloyds Bank	25	Brit. Land	7½
Bowaters	18	"Lofs"	5	Cap. Counties	9
B.A.T.	28	London Brick	7	Land Secs.	25
Brown (J.)	50	Lonrho	8	MEPC	17
Burton 'A'	26	Lucas Inds.	25	Peachey	13
Cadburys	7	"Mams"	18	Samuel Props.	14
Courtaulds	10	Mrks. & Spncr	11	Town & City	2¼
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	14	**Oils**	
Dunlop	6½	Nat. West. Bank	28	Brit. Petroleum	100
Eagle Star	14	Do. Warrants	15	Burmah Oil	13
E.M.I.	12	P & O Dfd.	10	Charterhall	5
Gen. Accident	21	Plessey	10	Premier	5
Gen. Electric	35	R.H.M.	5	Shell	25
Glaxo	50	Rank Org.	25	Ultramar	25
Grand Met.	14	Reed Intnl.	18		
G.U.S. 'A'	30	Sears	5½	**Mines**	
Guardian	24	Spillers	4½		
G.K.N.	28	Tesco	7	Charter Cons.	16
Hawker Sidd	26	Thorn	35	Cons. Gold	20
House of Fraser	18	Trust Houses	17	Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday August 9 1979

TUC predicts industry crisis

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC yesterday predicted that a financial crisis would overtake private industry this winter, bankrupting companies with large investment programmes or with other pressures on cash flow.

Union leaders claim that private alarm within industry about the effect of the Government's monetary policy, high interest rates and an over-strong pound will soon become public and that Mrs. Margaret Thatcher will be forced into a policy "U-turn" within months.

According to the TUC, the crisis will be unavoidable without a loosening of Government policy. It says that companies will have to find £3.6bn of external finance in 1979, compared with only £2bn last year because of poor profitability.

It expects small- and medium-sized companies with cash flow problems to be driven to the wall and serious trouble from some larger firms locked into big investment programmes.

A meeting of the TUC economic committee yesterday rejected as "unrealistic" the Government's hope that companies would survive the credit squeeze by keeping wage settlements well within bounds.

Mr. David Lea, assistant general secretary of the TUC, said afterwards that it was the Government, not the unions, which had "ratcheted up" inflationary expectations.

The unions will resist what they see as an attempt to make wages the only variable in the economic policy equation. The clear implication of yesterday's meeting is that the retail prices index — forecast to be rising at an annual rate of 17½ per cent by November — would remain a prime yardstick for trade union negotiators.

Last night the Confederation of British Industry said the TUC's forecast of company bankruptcies "underlines once again the need for moderation in the coming pay round."

Industry's alarm at the short-term prospects was highlighted in the CBI report to the National Economic Development Council last week. But the Confederation continues to say that the credit squeeze is necessary and that the unions will have to accept the consequences on the factory floor.

The extent of CBI loyalty to the Government's policy will, however, be tested by TUC leaders when they meet for one of their regular dinners later this month.

Meanwhile, the unions yesterday took up the Chancellor's invitation to send him a paper on extending TUC consultation over the public expenditure survey.

The TUC is asking to be involved from the earliest stages, and says there should be public debate instead of decisions by "a handful of senior civil servants and Cabinet Ministers."

Its detailed submission is an attempt to secure from the Conservative Government the same kind of commitment it secured from Labour just before the general election.

The current review, for the 1980-81 financial year, is virtually complete; and any widening of participation in the review that the Chancellor might agree to would almost certainly have to wait until the 1981-82 review gets under way.

Sasse losses reach £20m

BY JOHN MOORE

A FULL AUDIT of the stricken Lloyd's of London underwriting syndicate—formerly managed by Mr. Frederick Sasse, has revealed that losses are now running at £20m compared with the £13.6m previously estimated.

Those members of the 110-strong syndicate who have underwritten a standard share of the premium involved of £40,000 could have to pay up to £228,000 each. All members of the syndicate will be required to show that they can meet this liability by the end of this month through a declaration of assets.

Because of the seriousness of the situation the 16-strong Committee of Lloyd's is urgently pursuing the possibility of arranging a reinsurance contract within the Lloyd's market that will accept risk of any deterioration in the current figures.

The Lloyd's committee is moving swiftly because the deteriorating Sasse problem may affect the Department of Trade's clearance of the returns which the whole Lloyd's market submits each year.

The members of the syndicate discussed the new position yesterday afternoon at Lloyd's at a meeting organised by the manager of the syndicate, Mr. Stephen Merrett of Merrett Dixey Syndicates.

In March this year the members had been told by Mr. Merrett, who was brought in to help manage the syndicate when its problems materialised that they faced losses of £13.6m on three areas of insurance business: £8m from insurances on 1,300 fire and damage to property risks in the U.S.; £2.6m on Canadian fire risk business; and £3m on computer leasing business.

The full audit has shown that there are additional losses on mainly liability insurances arranged for the entertainment and leisure industry, such as fair ground and holiday camp operators.

Lloyd's has already arranged about £7m of aid to help the syndicate through a loan facility with the National Westminster Bank and other assistance.

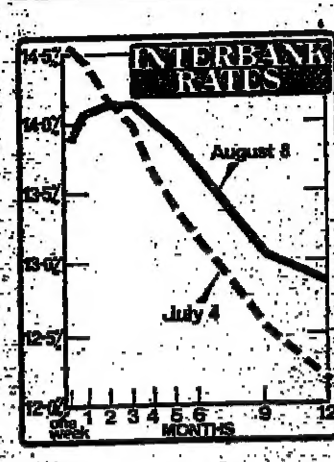
Lloyd's said yesterday that the committee and Baker Sutton, the auditors, felt that unqualified audit certificates could not be issued for the syndicate and three other syndicates formerly under the management of Mr. Sasse (numbers 759, 562 and 891).

THE LEX COLUMN

The bulls snap up the long tap

The tug of war in the gilt-edge market yesterday swung strongly in the direction of the bulls. Whereas last week the bears had it their way, as hopes declined of an early cut in interest rates and sterling started to fall from a peak, this week the buyers have come back. Yesterday morning the long tap Treasury 11¾ per cent 2003-07 was swallowed up. The buoyancy infected equities, which have now put on 22.7 points in terms of the FT 30-Share Index since the beginning of last week. The day's number of bargains recorded in equities and gilts combined was the highest in more than a month and just enough to put a faint gleam back into the eyes of jobbers and brokers.

Index rose 7.1 to 473.7



The sum needed to mop up the remainder of the £15 paid long tap was not large—of the order of £100m. But even as yesterday's gilt-edged buyers came in, the money market was being extended by a call of £555m due on Exchequer 12¼ per cent 1999. Now, £600m is due on Treasury 11½ per cent on August 20 and £622.5m on September 6. In all, the authorities will have achieved gross gilt-edged sales of over £5bn in the first five banking months of the year.

It is a prospect which does not leave the money market enthusiastic, particularly as just under £500m of special deposits are due to be repaid by the banks next Monday. The pressure has caused period rates to creep up in the past few weeks, with some flattening of the anomalous downward slope of the money market yield curve.

In the stock market, too, the bears fret that gilt-edged prices are vulnerable because too much money (some of it foreign) has been committed on the basis of promises of lower monetary growth and lower inflation which so far are a long way from being fulfilled. The bulls point out, however, that the Government will not need to sell nearly so much stock in the second half of the financial year — perhaps only half as much. And all the time a key Pavlovian word is creeping more prominently into stockbrokers' literature: the word "recession."

UDT

United Dominions Trust has been stuck in the Bank of England "life-boat" for such a long time that it is easy to forget that it does anything else apart from hire purchase finance. But as the 1978-79 results demonstrate there is a lot more to the group than first meets the eye.

As would be expected sharply higher interest rates have badly hit its traditional instalment credit business, around three quarters of which is fixed rate lending. Pre-tax profits on this side of the business slumped from £14.4m to £5.6m. However, the vehicle hire and engineering interests alone contributed more than the instalment credit side. The International Commodities Clearing House did much better and property lending finally started to earn some decent money.

The end result was that group pre-tax profits rose from £17.0m to £20.1m in 1978-79. Admittedly the previous year's figures were depressed by £8.5m of special provisions for losses in South Africa and Australia. Even so the performance looks good given the adverse funding conditions. Retained profits of £10.5m should help bolster the weak capital ratios.

Provided interest rates fall at some stage in UDT's financial year, the group could be heading for £25m in 1979-80. However, the group is still borrowing close to £250m from the lifeboat and is not paying a dividend.

The first priority is to strengthen its capital base which means that shareholders will have a long wait for any reward in the absence of a takeover.

Glynwed

Glynwed makes everything from gas cookers to bath tubs and its recent performance reflects fairly accurately the depressed conditions facing many companies operating in the heartland of British industry. In the six years to 1974 its pre-tax profits jumped from £3.5m to £15.7m but since then they have gone nowhere.

So far there is little sign that its performance is going to improve much in 1979. First half profits are a mere 2 per cent higher at £8.6m. The transport strike at the start of the year cost the group perhaps £0.5m but the real reason for the dull performance was sluggish demand and fierce competition in most of its traditional markets. In the one area where it should have done particularly well — supplying copper tubing—it lost market share to imports as a result of last year's damaging strike.

Assuming some recovery from the strike in the second half the group could increase its pre-tax profits from £16.1m to £17m-£18m. At 102p the shares yield close to 13 per cent—underlining the stock market's reservations.

BTR/Bestobell

With the publication yesterday of its second major defence document, Bestobell's struggle to avoid being taken over by BTR entered its final phase—the bid closes on August 17. Bestobell had made its best points before and the new document does not add very much, although with a little carefully turned abuse it manages to suggest that BTR is running out of growth, that its shares are not soundly based at their present level, and that its management cannot cope with its recent acquisitions.

The bid has brought out profound differences of approach between the two companies. Bestobell depicts BTR as ruthless, fragmented and over-stretched, while BTR presents Bestobell as sluggish, over-centralised and inefficient. Both companies maintain that the courses of action they recommend are in the best interests of British industry, whatever that may mean.

But none of this is going to weigh very heavily with Bestobell shareholders, except those who are strongly committed to the company's independence. The recovery in the equity market and perhaps some friendly buying, have taken BTR shares up to a level at which the equity offer values Bestobell at 242p a share, against 220p for the cash alternative and a market price before the bid of 170p. Even the not over-generous cash offer must be tempting to private shareholders. Bestobell's hopes for survival depend on the formation of a solid phalanx of institutional support. At the moment the big funds are still dithering, but the odds are moving in BTR's favour.

Star goes on after warning

By John Lloyd

THE Daily Star, the eight-month-old tabloid published by Express Newspapers, is to continue to print after a warning from the Express management that it would be closed if distribution workers refused to handle it in the South of England.

Members of the London Central branch of the Society of Graphical and Allied Trades (SOGAT), who had agreed to handle the paper until August 15, said yesterday that they would continue to distribute it until September 29.

The branch decision followed a statement late on Tuesday night by Mr. Jocelyn Stevens, managing director of Express Newspapers, who said that, without SOGAT agreement, "we could be within three days of the Star dying."

The main stumblingblock centres on the lack of an agreement to print the Star in London.

Members of the Daily Express machine minders' chapel of the National Graphical Association (NGA) have asked for an extra £50 a week and more staff to handle the Star. The Express management says that that would add up to £1m to London printing costs.

Mr. Stevens said that "we have been negotiating intensively with the NGA for six months. It is absolutely crucial we come down South."

London printing would initially provide 100,000 copies, and more subsequently.

The Daily Star sells 950,000 copies daily, having sold more than 1m earlier in the year.

He said that the Express had spent £1m on new equipment for the Star and that agreement to print in London had been reached with every chapel other than the machine minders'.

Congress asked to ban private health insurance

BY CHRISTIAN TYLER, LABOUR EDITOR

THE Trades Union Congress will be asked next month to forbid unions to negotiate private medical insurance deals and to use the threat of suspension or expulsion from the TUC against unions who disobey.

A decision yesterday by the Confederation of Health Service Employees (COHSE) to raise the issue formally at the Blackpool conference promises to touch off an acrimonious debate.

COHSE's move is in direct response to a deal negotiated by the Right-wing led Electrical and Plumbing Trades Union for 40,000 of its members in electrical contracting companies.

The EPTU will not be mentioned by name in an amendment that COHSE is drawing up to its own already-published motion. It will only ask that "disciplinary action" is considered but there is little short of suspension or expulsion that the TUC can do.

COHSE's main motion is uncontroversial, at least in terms of trade union ideology. But it does aim to remove another constant embarrassment, the use by some trade unions of a private hospital, Manor House in North London, run by the Industrial Orthopaedic Society.

The EPTU has consistently defended its own medical insurance deal since the news leaked out ten days ago. Yesterday it repeated its argument that the Government's failure properly to finance the National Health Service entitled the union to do the best it could for its members.

Mr. Albert Spanswick, general secretary of COHSE, said after a meeting of the union's national executive that the EPTU deal was a disgrace to the trade union movement and had severely damaged its credibility.

The EPTU would be asked to reconsider its agreement and TUC officials would be aked to talk to the electricians.

Both sides in ITV dispute agree to arbitration talks

BY GARETH GRIFFITHS, LABOUR STAFF

BOTH SIDES in the three-week dispute affecting independent television are to meet the Advisory, Conciliation and Arbitration Service today in separate preliminary meetings.

ACAS stepped in late yesterday afternoon to ask both sides to the meetings. It has been monitoring the dispute and has been in close touch with the Association of Cinematograph, Television and Allied Technicians. The other two unions involved, the Electrical and Plumbing Trades Union and the National Association of Theatrical, Television and Kine Employees were approached by ACAS and agreed to attend today's meeting.

The Independent Television Companies Association has also agreed to present its case. ACAS said last night the talks would at this stage aim to provide it with both sides' points of view.

Shop stewards from both the ACTT and the EPTU held meetings yesterday to discuss tactics. The members of NATTKE have been told by Jack Wilson, their general secretary, to remain working normally.

ITN bulletins

Thames, Ulster and HTV remained off the air yesterday after the suspension of staff at the companies. The dispute escalated slightly at lunchtime when ACTT members working at Independent Television News went on strike. They walked out when three ACTT members were suspended for refusing to work on a News at One programme.

The walk-out meant that the 11 companies still broadcasting did not receive ITN bulletins, but local programmes were not affected.

It is understood that the ACTT shop stewards' meeting expressed a strong reaction against the ITCA's suspension policy. The meeting was expected to endorse the members' rejection of a pay offer worth 15 per cent, plus 2 or 3 per cent consolidation.

ACAS is likely to receive requests from both sides that the complicated system of local productivity deals and supplementary payments be examined. NATTKE particularly is concerned that, unless this is tackled in the present pay round, the anomalies will affect future pay negotiations.

The present state of pay negotiations between ITCA and the unions remains confused. The unions say they do not know officially whether the 15 per cent pay deal remains on offer. The union claims vary between 25 and 30 per cent.

Weather

UK TODAY

OCCASIONAL rain with sunny intervals. Rather cool.

London, England (except Lakes and N.E.), Wales, Channel Is.
Rain, some heavy with thunder. Rather cool. Max. 17C (63F).

N.E. England, Lakes, S.W. Scotland, Borders, Isle of Man, N. Ireland
Cloudy, some occasional rain. Becoming brighter. Max. 17C (63F).

Rest of Scotland, Orkney, Shetland
Sunny intervals and showers. Max. 17C (63F).

Outlook: Rain at times with bright intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	28	82	Lisbon	C	23	73
Algiers	F	34	93	Locarno	F	27	81
Amsdm	C	15	59	London	C	17	63
Athens	S	31	88	Luxmbg.	C	16	61
Bahrain	S	37	100	Luxor	S	40	104
Barclna.	C	26	79	Madrid	F	29	84
Beirut	S	30	86	Majorca	F	29	84
Belfast	C	14	57	Malaga	S	33	92
Belgrd.	S	29	84	Malta	S	32	90
Berlin	S	26	79	M'chstr	C	16	61
Biarritz	C	21	70	Melbne.	C	12	55
Bmghm.	C	17	63	Mex. C.	C	18	65
Blackpl.	C	15	59	Milan	S	27	81
Bordx.	C	22	72	Mntreal.	C	20	68
Boulgn.	S	17	63	Moscow	F	18	64
Bristol	C	19	66	Munich	F	23	73
Brussels	F	18	64	Nairobi	C	16	60
Budpst.	S	28	82	Naples	S	30	86
B. Aires	S	18	64	Newcstl.	C	14	57
Cairo	S	34	93	N. York	S	30	86
Cardiff	S	17	63	Nice	F	27	81
Cas'b'ca	C	23	73	Oporto	S	22	72
Cape T.	C	14	57	Oslo	R	14	57
Chicago	C	26	79	Paris	C	18	64
Cologne	C	18	64	Perth	C	15	59
Cpnhgn.	F	21	70	Prague	R	19	66
Corfu	S	30	86	Rovkjvk.	R	9	49
Dublin	F	17	63	Rhodes	S	29	82
Dbrvnk.	S	27	81	Rio J'o	S	26	80
Ednbgh.	C	16	61	Rome	F	31	88
Faro	S	26	79	Salzbrg.	F	21	70
Florence	F	32	90	Singapr.	S	30	85
Frankft.	C	22	72	Stckhm.	F	19	66
Funchal	F	29	84	Strasbg.	C	23	73
Genova	F	24	75	Sydney	S	16	61
Gibrltr.	S	27	81	Tangier	F	24	75
Glasgow	R	14	57	Tehran	S	27	80
G'nsey	S	17	63	Tenerife	S	22	72
Helsinki	F	19	66	Tokyo	C	29	84
H. Kong	C	13	55	Toronto	C	20	68
Innsbrk.	F	23	73	Tunis	S	29	84
Invrnss.	C	15	59	Valencia	S	29	84
I.o Man	F	15	59	Venice	S	[illegible]	[illegible]
Jersey	S	17	63	Vienna	F	27	81
Jo'burg	S	22	71	Warsaw	F	24	75
L. Plms.	S	25	77	Zurich	F	22	72

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Turks face external debts, IMF told

BY METIN MUNIR IN ANKARA

TURKEY faces severe difficulties in servicing its external debts, in spite of recent assurances of aid from foreign Governments and banks. This is one conclusion in a confidential appraisal of the Turkish economy submitted by International Monetary Fund experts to the IMF's executive Board last month.

The report says Turkey's balance of payments position will be burdened by an "extremely heavy foreign debt service," which it estimates at $1.8bn this year and $2.2bn in 1980. The first figure would be equal to over 40 per cent of total projected foreign currency receipts.

The IMF experts say Mr. Bulent Ecevit's Government has made "a substantial effort" to tackle Turkey's economic problems through its emphasis on increasing exports, which are expected to rise by 20 per cent this year. The report makes clear that its authors supported the $250m standby credit granted to Turkey by the IMF last month.

Although pledges of some $1.8bn have been made in aid and credits "the availability of resources in 1979 is still subject to substantial uncertainty, reflecting import prices, crop outcome and the speed with which new capital inflows now in prospect can be translated into some easing of the most serious supply bottlenecks," the report says.

But the success of the government's programme "depends critically on the support of foreign governments and financial institutions abroad in providing debt relief and balance of payments assistance on a substantial scale

"Further difficult political decisions will be required in the coming months and years. They may not be easily reached, especially because the measures already taken are not likely to be rewarded quickly by resumption of growth or a rapid deceleration in the rate of inflation.

"But further action will be essential. The past 12 months have made the price of delay very plain."

The rate of inflation would remain high throughout 1979, the report added. The wholesale price index was likely to advance, on average, by 60 per cent from 1978 to 1979 and in the course of the year could be even higher.

In real terms there was likely to be no change on current expenditure on goods and services by the public sector this year. However, there would be a "sizeable" decline in the volume of fixed public investments. The current account deficit in 1979 would be $2¼bn.

Continued from Page 1

Statfjord Field

Statoil, Norway's state oil company, said estimates of reserves were continually revised, as new wells disclosed more about the field's structure. The latest figures, which may be published later this autumn, could themselves be corrected later.

Crude oil is expected to start flowing from Statfjord later this year. Although the UK Government has considered the possibility of installing a production platform on the UK side of the median line, it has been agreed to concentrate the production facilities in Norwegian waters.

The Mobil group with interests in the North Beryl discovery is expected to seek formal Department of Energy approval to develop the field within the next few weeks. The group, which also includes British Gas Corporation, Texas Eastern and Amerada Hess, expects to spend more than $1bn on the development.

The field, which has estimated recoverable reserves of 250m to 300m barrels of oil, should be at peak production in the mid-1980s at a rate of some 80,000 to 85,000 b/d.

The field lies in block 9/13, to the east of the Orkney Islands and immediately adjacent to the Mobil group's Beryl Field.

Mobil has considered a number of development methods, including the use of subsea wellheads linked to the Beryl platform, but it has decided to instal a separate steel platform.

Oil will be transported by pipeline from this structure to Beryl where it will be stored before being loaded into tankers.

Continued from Page 1

Aluminium flaws

manufacturing problem had now been cleared up.

The fault is believed to have been caused by a faulty sprinkler system which led to the uneven cooling of the heat-treated panels, and set up thermal stresses in the metal.

But the problem was slow to come to light, and U.S. Government agencies even slower in taking action. Reynolds reacted to the complaint by Fokker, made in late June, by notifying 50 of its customers in the aircraft building or supplying business.

It was not until July 16, however, that the FAA issued its alert to the U.S. aircraft industry. Reynolds said yesterday that the company, which did not come under any FAA jurisdiction, did not feel obliged to inform the agency directly. This was left to some of Reynolds customer companies, which eventually contacted the FAA.

Do-it-yourself motoring co-op

BRITAIN'S FIRST do-it-yourself motorists' co-operative opened in Milton Keynes, Buckinghamshire, yesterday.

Motorists will be able to work on their cars under the supervision of a qualified mechanic at the 10-bay garage, hoped to be the first of a national chain of motorists' co-operatives. The garage has been set up by the London-based Mutual Aid Centre which promotes small-scale co-operatives and mutual aid centres.

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